FINANCIAL TIMES

No. 26,228 Monday December 3 1973 ** 6p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.10; BELGIUM Fr.14; DENMARK Kr.2.25; FRANCE Fr.1.50; GERMANY DM1.30; ITALY L.170; NETHERLANDS Fl.1.00; NORWAY Kr.2.50; PORTUGAL Esc.10; SPAIN Pts.20; SWEDEN Kr.2.00; SWITZERLAND Fr.1.20; EIRE 7p.

NEWS SUMMARY

GENERAL

Fighting flares in Golan Heights

Fighting flared yesterday in the Golan Heights area after last week's clashes on the Suez front. Israeli and Syrian forces were in sporadic action for four hours.

Two Israeli soldiers were wounded as the Syrians used tanks, anti-tank missiles, mortar and artillery fire against Israeli positions.

The heightened tension in Israel overshadowed the death of Mr. David Ben-Gurion and was expected to result in new diplomatic moves to try to break the deadlock in the talks at Kilometre 101. Page 8

EC policy talks start

Ministers gather in Brussels to-day for three weeks of meetings aimed at hammering out details of new European Community policy before the end of the year, writes Reginald Dale.

Foreign and Finance Ministers of the Nine will be seeking to reach as much agreement as possible before the Copenhagen summit conference on December 14 and 15.

EEC plans for monetary union have been attacked by Dr. Kenneth Whitaker, Governor of the Central Bank of Ireland. Page 29 and Page 6

Recognition deal in Ulster talks

The complex package likely to be negotiated at this week's tripartite talks on Ulster could include a degree of formal recognition by the Dublin Government of the present constitutional status of Ulster, writes Dominick Coyle. The recognition would be in exchange for agreement by Northern Unionists to the early establishment of a Council for All-Ireland. Back Page

Home leaves for Moscow

Sir Alec Douglas-Home, the Foreign Secretary, left London for two days of talks with his Russian opposite number, Mr. Gromyko. The Middle East and the European Security conference are expected to be main items on the agenda but the discussions are likely to be far-ranging. Editorial comment, Page 14 and Page 23

Israel mourns Ben Gurion

Flags were at half-mast throughout Israel as the body of Mr. David Ben Gurion lay in state in the Knesset. Mr. Ben Gurion, Israel's first Prime Minister, will be buried at his kibbutz at Sde Boker in the Negev. A condolence book at the Israeli Embassy in London is being opened to-day. Obituary Page 8

Mother accused

The mother of three-year-old Deborah Carr, whose body was found near a signal box at Acorn rail station, will appear in court to-day accused of the child's murder. In Worcester, two people have been charged with the murder of Mr. Keith Kenyon, 22, who died in Hammersmith Hospital, London. Mr. Kenyon had undergone tests for poisoning.

VAT on the tree

Christmas trees — classed as "non-edible horticultural products" and subject to value-added tax—may be hard to find in small greengrocery shops, says the National Federation of Retail Fruit Traders. Smaller traders will not want to bother with the form-filling, claims the federation.

Week of the comet

Kohoutek, the comet now moving nearer the sun at about 100-miles a second, should be visible from Britain with the naked eye later this week. With a clear, dark horizon it should be visible at about 5 a.m. at an angle of 10 to 15 degrees.

Briefly . . .

Premium Bond 7QB 971429 won the weekly £25,000 prize. The winner lives in Kent.

Heart transplant team in South Africa, led by Professor Christiaan Barnard, has carried out a transplant operation on a middle-aged man.

Miners are to make an award to doctors and nurses in the Chesterfield area for their work at the time of the Markham colliery disaster.

Schoolgirl who died in 300 ft. fall in Snowdonia identified as Frances Brain, 17, of Marsworth, Bucks.

Racing at Southwell and Hexham to-day is off because of frost.

BUSINESS

Oil crisis affects industry's optimism

● MIDDLE EAST oil embargo, latest trade figures and the rise in interest rates—plus inflation and material shortages—have dampened industry's optimism, according to the Financial Times monthly survey of business opinion.
Back and Page 32

● STATEMENT is expected to-day following urgent and secret week-end discussions about the problems of London and County Securities between directors of the troubled banking and finance group and four major concerns which are investigating ways of helping it.
Back Page

● CONTINUED shutdown of BP Chemical's Baglan Bay petrochemical plant—one of the main such centres in Britain—is aggravating a serious supply situation.
Page 5

● STEEL SHORTAGES can be avoided best by increased profits brought about by greater efficiency and avoiding pricing policies which inhibit investment, according to Mr. Campbell Adamson, director-general of the CBI.
Page 5

Train drivers hold off ban

● ALL TRAINS are expected to run normally to-day. Men in ASLEF's south-east division agreed to postpone planned industrial action to await the outcome of to-day's meeting of the union national executive. The meeting was called following Friday's deadlock in pay talks with British Rail.
Page 23

● SCATTERED but serious disruption of major ports is expected to-day when dockers in London, Liverpool and elsewhere react to an unofficial call from militant shop stewards for a one-day strike over pay.
Page 23

● VAUXHALL MOTORS, General Motors' U.K. subsidiary, is to be presented with demands for staff status for its 3,500 toolmakers and electricians along the lines of concessions made by Chrysler U.K. after the 14-week strike.
Page 23

● PRIORITIES being worked out by the scheduled airlines to meet shrinking fuel supplies put business travel first and holiday flights at the bottom of the list.
Page 8

● A MAJOR REVIEW of the effects of the oil crisis on Britain's economy takes place on Wednesday when leaders of both sides of industry meet Ministers at the National Economic Development Council.
Page 6

● OWNERSHIP of second homes should be positively discouraged by the Government, according to a report published by Shelter, the national campaign for the homeless.
Page 28

Men to hear Meriden plan

● PROPOSALS that by the end of the week could lead to the formation of a workers' co-operative to re-open and run the Triumph motorcycle factory at Meriden, Coventry, will be put to a mass meeting to-day.
Page 23

● EXPORTS of agricultural machinery reached a record £293m. in the first ten months of this year, an increase of 23 per cent. on the same period of 1972. These statistics were disclosed at Earl's Court, London, at the preview of the Royal Smithfield show, which opens to-day.
Page 5

● GENERAL BETTING duty paid in October amounted to £8.6m. compared with £7.1m. a year before.
Page 5

● HOUSE-BUILDING industry faces a severe recession unless early action is taken to stimulate the demand for housing, the annual report of the council of the House-Builders' Federation warns.
Page 5

● GOLDEN CHEMICAL Products, one of the biggest companies associated with the pyramid selling method, has adapted its operations to comply with the requirements of the Government's new legislation on multi-level selling.
Page 4

● CAPLAN PROFILE Group reports a pre-tax profit up 51 per cent. to £452,203 for the year to August 31.
Page 24

Pym takes over in Ulster ● Macmillan No. 2 at Treasury ● Eccles resigns

Key incomes policy role for Whitelaw

By JOHN BOURNE, Lobby Editor

THE Prime Minister's Cabinet changes, announced last night, are designed to strengthen Government machinery for the management of the economy—especially on the side of wages policy.

Mr. William Whitelaw, following his success in Northern Ireland, is made Secretary for Employment, and will also be available to deputise for the Chancellor of the Exchequer in Mr. Anthony Barber's co-ordinating role over prices and incomes policy as a whole. This will enable Mr. Whitelaw to take the chair in certain Cabinet and Whitehall committees concerned with prices and incomes.

It is understood that Mr. Heath also wants Mr. Whitelaw to recreate the old function of former Ministers of Labour, who were responsible for handling national labour disputes in the nationalised industries as well as in the private sector. Recently, Mr. Tom Boardman, as Minister for Industry, has tended to handle disputes in the power industries and Mr. William Peyton, Minister for Transport Industries, has dealt with disputes on the railways and other nationalised transport undertakings.

With the prospect of trouble on the railways and later perhaps from the manual workers in the power stations, on top of the coal dispute, Mr. Heath clearly believes the amiability, toughness and shrewdness Mr. Whitelaw displayed in reaching a settlement in Northern Ireland, will be as invaluable at Employment, *where trade union leaders could turn out to be difficult to deal with this winter.*

Changes in full Page 5
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Men and Matters, Page 14

Mr. Maurice Macmillan, the former Secretary of Employment, is added to the Treasury team of ministers as Paymaster-General, giving the Treasury a second seat in the Cabinet. Mr. Macmillan will be able to take some of the load from Mr. Barber's shoulders over a wide range of issues. He will in effect be the Chancellor's deputy. Mr. Patrick Jenkin, previously Number Two at the Treasury stays as Chief Secretary.

These changes—first forecast in the Financial Times on October 15—have led to several consequential moves. Mr. Francis Pym, formerly the Government Chief Whip, goes into the Cabinet as Northern Ireland Secretary. Lord Eccles, formerly the Paymaster-General and Minister for the Arts (a post outside the Cabinet) has resigned, and Mr. Heath has appointed him chairman of the British Library Board.

His responsibility for the arts is taken by Mr. Norman St. John Stevas, *who is promoted from* Under-Secretary at Education to Minister of State in the same department. It was maintained last night that this switch did not mean there would be any change in the Government's policy on museum charges.

Mr. Humphrey Atkins, the Deputy Chief Whip, succeeds Mr. Pym and is to be made a Privy Councillor. Mr. Bernard Weatherill, from the Whips' Office becomes Mr. Atkins' deputy.

All the changes come into effect to-day and Mr. Pym will take Mr. Whitelaw's place at Thursday's tripartite conference on the proposed Council of All-Ireland. Mr. Whitelaw will not attend the conference.

Finally, Lord Windlesham, a former managing director of Grampian Television and now Leader of the Lords, has been asked by Mr. Heath to take over from Mr. Robert Carr, the Home Secretary, responsibility for overall supervision of the Government information services—an important move in view of the approaching General Election.

Further Government changes cannot be ruled out, particularly among the middle ranks of Ministers, but the Prime Minister felt last night's appoint*ments were enough for White*hall to absorb while Parliament *was still in session.* The only back-bencher made a Minister last night is Mr. Timothy Raison, formerly Mr. Whitelaw's Parliamentary Private Secretary. He becomes Under-Secretary at at Education.

Increased

Mr. Barber last night issued the following statement to explain the Government's changes: "The work, not only of the Chancellor of the Exchequer, but of Treasury Ministers generally, has increased very considerably over the past year or so.

"This is the result of a combination of factors; in particular our membership of the European Community, the new problems concerned with the international

Continued on Back Page

MR. WILLIAM WHITELAW
Employment Secretary

MR. MAURICE MACMILLAN
Paymaster-General

MR. FRANCIS PYM
Northern Ireland Secretary

MR. HUMPHREY ATKINS
Chief Whip

Bid to avert all-out coal strike is first task

BY JOHN ELLIOTT, LABOUR EDITOR

URGENT MOVES to counter the risk of an all-out strike in the coalfields and of mounting labour troubles elsewhere in the public sector will dominate Mr. William Whitelaw's first few days as Secretary for Employment. His appointment comes at a critical time for the future of the Government's Stage Three counter-inflation policy.

Mr. Whitelaw is expected to hold early meetings with senior union leaders, and also faces the Labour Party's all-out Commons attack on the National Industrial Relations Court to-morrow.

This will be followed on Wednesday by the monthly meeting of the National Economic Development Council, which has the general economic situation on its agenda.

Revenue lost

Mr. Whitelaw takes over his new responsibilities at a key time in the miners' pay dispute. The National Coal Board has already lost some £15m. revenue during the past three weeks as a result of the miners' overtime ban, which has cut coal production by 30 per cent., and has dashed hopes that NCB would break even *in the current financial* year. Now the Government has to decide how to bring pressure to bear on the National Union of Mineworkers to start moves which could bring a peaceful settlement.

The NUM national executive meets on Thursday week when it is hoped it will call a ballot of its members who will then vote on whether they want to accept their Stage Three pay offer or go on strike.

Influence

In the meantime, the Government has to decide how to try to influence the result. Some union leaders in various industries were last night looking to Mr. Whitelaw to show that a new era has started with his appointment. They hoped that the coincidence of the reshuffle, of Wednesday's NEDC meeting, and of the energy crisis, might together lead to general talks on the economy, which in turn could improve the industrial atmosphere.

However, last night it was clear that no change is planned on the firm stand taken with the miners by the Prime Minister last week. The fact that Mr. Whitelaw will be playing a more leading role than did Mr. Maurice Macmillan in the Government's pay and prices policy, might also rule out *an early Downing Street meeting* with the TUC, involving the Prime Minister.

The TUC, *however, is showing* no signs of being interested in talking to the Government specifically about either Stage Three or the miners.

There is also no question of *the TUC even considering* suggesting that the miners should be made a "*special case.*" Any formal talks between the TUC and the Government—*outside the* NEDC—will therefore have to be *based on broad developments in* the economy since the pre-Stage *Three Downing Street talks* ended in October.

Pleased

Generally, few union leaders will be anything but pleased that Mr. Whitelaw has got his new post. While many of them were far from being unkindly disposed towards Mr. Maurice Macmillan, they welcome the increased authority that Mr. Whitelaw *will be giving the* Department of Employment.

Privately, Mr. Whitelaw will come under some pressure from union *leaders to make radical* changes in the Industrial Relations Act (which, as some union leaders will remind him, does not *operate in Northern Ireland).*

The NIRC is two years old this week-end and is facing its most outspoken criticism from the Labour Party. But, even though there are a large number of would-be amendments to the Act piling up at the Department from many quarters—including those suggested by the NIRC itself in its judgments—there has been no sign yet of the Government feeling it could come to terms with the TUC on the Act.

This problem will have to be *considered by Mr. Whitelaw who* also inherits an embryo Green *Paper on the subject on which* Mr. Macmillan perhaps would *have most liked to legislate*—workers participation. Mr. White*law will now have to decide how high a priority to give this subject.*

Unpalatable decisions the Government must take Page 14

Tight situation in power industry

BY CHRISTOPHER LORENZ

A SHORTFALL of oil deliveries to power stations is contribut*ing to the tight electricity* situation which resulted in nationwide voltage reductions last week and at the week-end, *according to electricity industry* officials.

In spite of the mild weather forecast, the Central Electricity Generating Board last night warned that there would be a "high risk" of reductions again to-day although power cuts were thought to be unlikely.

It has now emerged that shortages of fuel and distillate oil have become an additional factor in the CEGB's intermittent inability to meet peak demand in full, and that there is little immediate prospect of an improvement in the situation.

The Board has been at pains to point out that the basic reason for voltage reductions is the power engineers' ban on out-of-hours work, which is now cutting generating capacity by up to 3,000 MW

Without the engineers' action, the Board claims it would have been able to meet demand in full, in spite of the cold weather.

Most of the voltage reductions appear to be attributable to these problems, but some are the result of the CEGB's decision to conserve its precious—and extremely limited—oil stocks by restricting the output of several large oil-fired power stations until voltage has been reduced by 6 per cent.—the final stage before disconnections have to be ordered.

The stations—which include the two latest and largest plants, 2,000 MW each at Fawley and Pembroke—are being run up towards full output only if this is necessary to avoid power cuts.

This practice is seen by the electricity industry as the lesser of two evils. Rather than run down oil stocks now so that they would soon have to make disconnections during peak periods, they argue that it is better to make voltage reductions.

Sunday drivers left stranded

BY LORNE BARLING

THOUSANDS OF motorists who did not heed the Government appeal not to drive on Sundays were stranded yesterday as garages closed or rationed petrol to a bare minimum.

The Automobile Association and the Royal Automobile Club had difficulty dealing with emergency calls from desperate motorists. Indeed both organisations had problems in obtaining enough fuel for their own patrol vehicles.

It was estimated late yesterday that more than 95 per cent. of garages were closed and later *it was almost impossible to buy* petrol. Faced with queues of up *to a mile which disrupted traffic,* and some abusive customers demanding more petrol, many garages shut for the day.

Pressure

The AA said: "If a garage has limited stocks and can sell them quite easily during the week, there is no incentive to pay the wages for a man to work on Sunday."

In view of the almost hysterical behaviour of some motorists yesterday, there was increased pressure for the Government to speed up action on allocating petrol supplies.

Both the Road Hauliers' Association and the Licensed Taxi Drivers' Association called for more control. The RHA said: "Things will not get better until there is rationing."

75% down

London taxis, already scarce as a result of the shortage of fuel, should be regarded as public transport, says the LDTA. It has requested a meeting with the Department of Trade and Industry.

Yesterday, the AA appealed to motorists to leave their cars at home whenever possible and said that it was absurd to drive around, using precious fuel, in the hope of finding an open garage.

Patrols reported that traffic was about 75 per cent. down on normal Sunday traffic, but finding petrol was "like looking for an oasis in a desert." In a 20-mile stretch from London to St. Albans, Herts., only one garage was open.

Many stranded drivers were towed to closed garages where they abandoned their vehicles, intending to return to-day. But there were fears that others might have to spend the night in their cars.

Lorry drivers, who experienced a diesel fuel shortage on motorways last week, were also in difficulties yesterday with the AA reporting that no diesel fuel was available on the southern part of M1. Sections of M4 were also "dry."

Sir Frederick Corfield, Conservative MP for Gloucestershire, S., said the present system on which petrol coupons were being distributed had revealed a significant loophole.

He said: "Motorists can get the car registration book replaced merely by saying the original one has been lost. I am asking the Government what steps are being taken to ensure the claims are genuine."

Other oil news Page 8

ON OTHER PAGES

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY

Basis for growth · Company records · Waste paper

Sir,—Mr. Noel Armstrong (November 27) seems unable to distinguish between absorbing spare economic capacity and increasing a country's productive capacity. There is no economic law which states that a steady rate of economic expansion cannot be sustained. One only has to look to Japan, Germany, France and the U.S. for confirmation, so far.

It is of course true that part of our recent expansion has been the reward of taking up the spare capacity in the economy. This process is now almost complete. Fully employed economies *can* continue to grow with increased productivity and this is precisely what is happening now.

As far as food prices and the Common Market are concerned Mr. Armstrong is not correct and has misunderstood the facts.

Since our entry into the EEC, that is since January 1 this year, food prices in the U.K. have gone up 12 per cent. (Department of Employment Gazette). Approximately 98 per cent. of this 12 per cent. increase is due to world prices. EEC entry has affected food prices in the U.K. by only 1p in the pound as was correctly forecast by Ministers at the time of entry. No amount of assertions by Mr. Armstrong can change this fact.

One only has to consult the Reuters Index in the Financial Times or the Economist Food Index to gain proof of the effect of world prices on food prices in the U.K. As a further point it should be observed that world prices of commodities are far above the EEC intervention prices and that above this point EEC prices *become* world prices. The claim that the EEC has caused a huge rise in U.K. food prices is a myth.

Certainly Mr. Armstrong is correct in pointing out that the U.K. is at the end of an era and at the beginning of a new one. We are at the end of the stop-go era and at the beginning of an era of growth. As Mr. Campbell Adamson, Director of the CBI, pointed out on November 28 that in spite of the present problems "the longer term prospects for British industry were still very good" with full order books and an opportunity for exporting greater than any time in his lifetime. Would Mr. Armstrong really be happy if this situation were reversed?

This is the very basis of growth. Without it we stagnate. Without it the standard of living of the British people is bound to fall. We are at the end of an era when Britain floundered in a mire with little aim and, when the present difficulties are surmounted, at the beginning of an era in Europe with all the opportunities that brings.

Sir John Foster, KBE, Q.C.,
House of Commons, SW1.

Books as cult objects

Sir,—The assertion of Mr. Warren (Nov. 24) that to-day the printed page is responsible for imparting a minor part of knowledge is, in my experience, patently erroneous.

As a student reading for a B.Sc. I can assure him full use is made of those privileged cult objects, if only to justify their high price. Two of my set books alone have cost £10 each this term. Surely the Government's decision to exempt books from tax should be regarded more as a sign of some remaining civilisation and not as a position arrived at by sentimentality and cant.

C. J. Livsey,
62 Abergeldie Road,
Aberdeen.

Companies House

Sir,—May I, as a small private investor, offer my views on the proposal to move the Companies' Registry to Cardiff? I rarely have occasion to visit City Road, although I did happen to go there some days ago.

All the comments that I have heard from informed people have been strongly anti the proposal. A City solicitor described it as "lunatic." Another comment was that one might as well move the British Museum Reading Room out of London.

The whole emphasis of recent company legislation has been on greater "disclosure," and it seems to me that to move to Cardiff will hinder this.

The reasons given for the move are: the difficulty of obtaining staff in London and the fact that the City Road premises are inadequate. The new idea is to provide several hundred viewing machines. These will be handled by many hundreds of searchers who are inexperienced in their operation. Is it not likely that these machines will constantly be going wrong, and that it will be necessary to keep a staff of skilled electricians to look after them? Will it be any easier to find the necessary electricians in Central London than it is now to obtain the necessary staff?

May I make two suggestions? The first is that the records of all Welsh registered companies should go to Cardiff, just as Scottish and N. Ireland companies' records are held in Edinburgh and Belfast. The second is that the records of all unquoted companies should be moved to another building—if possible in the London area.

Either of these would relieve the present strain on both the staff and the premises at City Road. Either would avoid the enormous cost to public funds of fitting up the proposed new building and of filming the vast volume of records. Either would keep much the most important part of the records still within easy reach of the London Stock Exchange and of the offices of the City and Central London solicitors and accountants and financial institutions who are the most frequent and the most important users of the service.

Robert Nott.
Englefield Cottage,
Hurtmore,
Godalming, Surrey.

Microfilm growth

Sir,—The statement by Mr. D. A. Trigwell (November 28) that—"it is to be doubted whether anybody regards microfilm as a valued management tool"—is typical of the uninformed comment referred to in my letter of the previous day. Computers frequently draw similar remarks, but can anyone really imagine modern business continuing to function without their assistance?

While Mr. Trigwell expresses a personal opinion, available information on the growth of the industry in the U.K. and elsewhere clearly demonstrates that his views are not universally shared.

Figures prepared by the United States Department of Commerce give U.K. expenditure for the year 1971 as £8.5m.; in 1973 it is expected to reach £12m., while by 1976 no less than £18m. is forecast. For West Germany estimates are 1971—£9m.; £1976—£33.5m. For Japan, 1972—£4.65m.; 1976—£10m. Figures for other industrialised countries reveal a similar pattern of growth.

The bulk of this growth can be shown to be taking place within the business systems field where microfilm, intelligently applied, is being used with increasing success as a management tool.

R. B. Selwyn,
Editor,
Microinfo Micrographics News Bulletin.
The Post House,
High Street, Alton, Hants.

Waste paper shortage

Sir,—Some of the comment in your article on waste paper (November 23) is not only inaccurate but quite misleading.

While there is undoubtedly a shortage of waste paper at this time, there are signs that the position is swinging towards an improving situation and as this trend normally takes several months to complete a full phase there are hopes that the position will continue to improve into 1974.

The claim that waste paper prices in the U.K. are the highest in the world is totally false since prices in this country compare most unfavourably with those obtaining in most Common Market countries, particularly West Germany and France.

The shortage of this indigenous raw material has been brought about partly by the unwillingness of British paper and board mills several months ago to pay an economic price for their supplies, and while prices have moved forward during the past 12 months, these do not compare competitively with those obtainable abroad.

History has shown that an increase in price can and does bring forward additional supplies, and there is no reason to believe that a substantial increase in the price of the grades which are in short supply would not do likewise in this instance.

One of the anomalies of the present situation is that certain grades of waste paper are in over supply at the present moment, partially due to the fact that some of the de-inking plant currently being installed is not yet in operation. As a result, valuable raw material is being exported simply in order to obtain the higher prices which are prevailing on the continent.

Lastly, a note of warning. History once again has proved that a panic situation calling for unlimited supplies of waste paper has invariably led to a position of over-supply. When this occurs, waste paper processors are usually left with large stocks of waste flowing in at a pace which cannot be immediately stemmed, which have ultimately to be sold at a loss.

While not wishing to minimise the present impact of the admitted shortage of waste paper, one must bear in mind the factors outlined above at all times. By so doing, the waste paper recovery industry will not only be able to supply the requirements of the British mills but will also safeguard the future survival of the industry in general.

Henry S. Kemp,
Managing Director,
A1 Waste Paper Company.
Stratford Mills,
Marshgate Lane, E.15.

Should property men rule the earth?

Sir,—I find it surprising that industry, or at least the senior management of industry, has *not seen* fit to go *some* way towards applauding the Labour Party's programme regarding the municipalisation of land. It does seem that, at a time when industry generally is finding itself castrated by ever-increasing land values, the case for private ownership of one of the most valuable (in the widest sense) assets—and the one that is most finite—is no longer justifiable.

Most industrial businessmen set up in business to make "things," do "things" or sell "things." Only a very small minority set up to own "things." The ownership of assets within a business always used to be ancillary to that business activity and it would seem that, to-day, when the reverse is so obviously true, radical action is necessary—particularly when this change in emphasis within a business is so clearly acting against the public good.

The ravages of inflation on business life have so often been discussed. While, however, no figures have yet been produced, empirically one might suggest that, within the manufacturing industry, taking market rentals on the property occupied by companies, plus correctly accounting on an inflationary replacement basis, few would be showing any profit at all. A proportion might even be incurring large losses.

Can it be in the public interest for property companies to "rule the earth"?

Is it basically right that a business enterprise should be better off to cease its activity than to continue it?

Is this not as much a fundamental reason for the lack of investment in plant by industry as anything else?

One can sympathise with senior management who voice the opinion that they are not in business to make products but to make money. But surely the correct emotion should be much more one of despair. The profit contribution of industry to-day is more a result of decisions by a few concerning property—a basic irrelevance to business—than the gainful employment of the many and the determined pursuance of their real raison d'être.

In addition, obsession with property produces a vicious spiral which seems to have little to do with inherent worth. The bidding up of property values has a long-term inflationary effect on prices that has yet to be fully appreciated. Property costs not only have a direct impact on the eventual selling price of goods, but by their inherent bias towards the large business, help to reduce competition. The market falls into the hands of a few majors: vide the disappearance of the craft industries in the peripheral areas of the City of London.

Municipalisation or nationalisation of land, of course, should not mean confiscation. Those who have made money out of the market as it stands, should be entitled to keep that gain, but the recent gains by a few have surely given rise to the "golden-goose-syndrome" and the coup should not be long delayed.

The gradual acquisition of building land as development permission is sought on that land should, if handled properly, reduce the inflationary spiral of prices and the consequent non-profitability of industry occupying land.

The mechanics, of course, are a separate issue. If the government body started from to-day's market price and set an upward scale of, say, 2½ per cent. per annum for future prices—being the only buyer, this would be possible—the rapid escalation of prices would be stopped. The development of such sites could be carried out on tender with the builder obtaining a 30-year lease—part of the tender would include the rental to be charged over that period. Rent payable to the builder would not, of course, take into account the land cost. Buildings would thus become what they should always have been, that is, a fixed-interest amortisable investment.

Using such a plan, while not reducing rents from to-day's level, should at least stabilise them, and much more important, enable industry to carry out what it is best at—making things, doing things and selling things—efficiently and, hopefully, profitably.

Philip Henderson,
Canadean,
St. George's House,
195, Waterloo Road, S.E.1.

Wasted 'phone directories

Sir,—One can but hope that those concerned at the Post Office with the distribution of telephone directories will heed the comments of Mr. Derek M. King (November 29). They should note, however, that the E-K volume is not the only one that is wasted—our experience is that, where there is a PBX, there is a tendency to deliver a complete set for every two extensions.

It would seem that it is normal contemporary practice for the telephone operator on a private switchboard to look up required numbers and dial them, putting the call through to the relevant extension when the required contact has been made. Might it not help, therefore, if each subscribed received initially just one copy? In the case of those subscribers with more than one line, a note could be enclosed to state that further copies would be supplied on request.

As a magazine publisher (who, like all the others, is decidedly worried about future paper supplies) I would raise one further point: is it really impossible for the Post Office to collect and sell obsolete telephone directories at a profit? After all, no sorting would be necessary, and it is quite infuriating to be told "No, we don't take them back anymore. You must have to throw them in the dustbin." Is it surprising that such inefficient use of our resources leads to shortages such as we now have to face?

Gerard Mann.
1-3, Astoria Parade,
Streatham High Road, S.W.16.

Basic hours minimum

Sir,—Further to his letter "Don't Tax Overtime," Mr. R. Spick (November 28) makes a suggestion which I feel every employer including the State would support.

Before this can happen, however, it is essential that a reasonable minimum number of statutory basic hours per week for employees must be agreed, applicable to industry as a whole.

If this statutory requirement formed part of the Contract of Employment the first benefit would be that the present farcical and chaotic "work to rule" situation would cease, pay structure would be simplified and a prime factor of measuring industrial cost efficiency be witnessed.

Government does not have to run our working lives in detail surely.

G. B. Francis.
Director, Baycliff.
Akroyd Place,
Halifax, Yorkshire.

Get the fares right

Sir,—I was pleased to see His Excellency Adhemar Montagne's letter on November 26.

It rather looks to me, however, as though His Excellency may possibly have called into question the quality of the advice which his Government received when it decided to guarantee a loan instead of telling the corporation to (politely) "go put its fares right."

I would note that the British and French Governments, instead of telling the promoters of a channel tunnel to (politely) "go and produce more realistic and businesslike estimates of future fares," have recently been so advised as to suggest that they might guarantee a loan amounting to possibly as much as 90 per cent. of the capital required to construct the tunnel.

Do Governments never learn, or should potential investors ask themselves whether a Channel tunnel might not all too easily get into a similar sort of unpleasant mess?

John F. Richards,
"Woolhams Bank,"
73, Harestone Hill,
Caterham, Surrey.

More energy needed

Sir,—Rhetoric gratitude to the Arabs for blackmail by Mr. Rogaly (November 20) is fine, but why omit the Russians and our own miners' leaders?

Joe Rogaly is right to raise the need for an energy inquiry, but this is a long-term policy. The 30-35 per cent. thermally efficient electricity generating station will be with us for many years—as will be the motor car and *aeroplane*; both more thermally inefficient than the power station.

Technological progress is slow; in the meantime we urgently need more energy, not less, if we are to get and maintain economic growth. It is also vital to import other commodities besides oil. There are no indigenous substitutes for copper, gold or oranges. When the present epidemic of blackmail has subsided it is clear that we must dig much more of our own coal.

In the meantime our short-term survival depends on urgent political and diplomatic action which includes justice for both Israelis and Palestinians. A Kissinger to-day is worth many fuel technologists to-morrow.

Norman Wilson.
Hill House, Llanstephan,
Carmarthenshire.

The quick and the dead

Sir,—It is to be hoped that the petrol saved by denying the hospital consultant any extra allowance will not be more than taken up by that other group of socially necessary priority users, our allies, the undertakers.

Keith Abel.
48, Harley Street, W.1.

TV/Radio

† Indicates programme in black and white.

BBC 1

11.00 a.m. For Schools, Colleges. 12.30 p.m. The Sunday Debate: Protest and the Law. 12.55 News. 1.00 Pebble Mill at One. 1.45 Fingerbobs. 2.05 James Stewart talks to an audience at the National Film Theatre. 2.50 Times Remembered by Proud Mums. 3.00 Breathing Space: report from Raasay, near Skye—population 169 and dwindling. 3.50 We Want to Sing. 4.00 Play School. 4.25 Yogi Bear. 4.35 Jackanory. 4.50 Blue Peter. 5.15 The Terracotta Horse. 5.40 The Wombles. 5.45 News. 6.00 Nationwide. 6.40 Sykes. 7.10 Z Cars.

8.00 Panorama.
8.50 Natural Break.
9.00 Nine O'clock News.
9.25 Last of the Summer Wine.
9.55 "The Nanny," starring Bette Davis with Wendy Craig and Jill Bennett.
11.25 Late Night News.
11.30 Television and Society.

All regions as BBC 1 except at the following times:

Wales—†1.45-2.00 p.m. Ar Lin Mam. 6.00-6.40 Wales To-day. 6.40-7.10 Heddiw. †11.57 News of Wales.

Scotland—†6.00-6.40 p.m. Reporting Scotland. †11.57 Scottish News.

Northern Ireland—†6.00-6.40 p.m. Scene Around Six. †11.57 Northern Ireland News Headlines.

England—†6.00-6.40 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). †11.57 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
3.00 p.m. Man at Work.
7.05 Life in the Nine, part 5: A Job across the Channel?
7.30 News Summary.
7.35 Top Crown.
8.00 Alias Smith and Jones.
8.50 Call My Bluff.
9.20 Horizon.
10.10 They Don't All Open Men's Boutiques (play).
10.45 News Extra.
11.15 Open Door: The Gipsy Council in Wandsworth.

LONDON

9.30 a.m. Travels of Marco Polo. 10.15 The Wild, Wild West. 11.05 Woobinda. 11.30 Let's Face It. 12.00 The Daily Fable. 12.05 p.m. Rainbow. 12.25 Michael Bentine's Potty Time. 12.40 First Report. News with Robert Kee, FT index. 1.00 Mr. and Mrs. 1.30 Emmerdale Farm. 2.00 Farmhouse Kitchen. 2.25 Good Afternoon! 3.00 A Family at War. 3.55 Jokers Wild. 4.25 Clapperboard. 4.50 Robert's Robots. 5.20 Lollipop.
5.50 News from ITN.
6.00 To-day.
6.40 Opportunity Knocks!
7.30 Coronation Street.
8.00 World in Action.
8.30 Tell Tarby.
9.00 Life and Soul.
10.00 News at Ten.
10.30 The Streets of San Francisco.
12.15 a.m. Ideas in Print: Michael Nelson talks to Sybille Bedford.

All ITV regions as London except at the following times:

ANGLIA

9.30 a.m. Voices in Orbit. 10.00 Design for Today. †10.15 Tales of Edgar Wallace. 11.15 The Galloping Gourmet. 11.40 The Dave Cash Radio Programme. 2.30 p.m. [illegible]

ATV MIDLANDS

[illegible]

BORDER

[illegible]

CHANNEL

[illegible]

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

[illegible]

SCOTTISH

9.30 a.m. Yoga for Health. 9.55 Common Market Cook Book. 10.20 Through the Chair. 11.05 Theatre of Stars. 2.00 p.m. Play with a Purpose. [illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1 247m

(S) Stereophonic broadcast

[illegible]

RADIO 2 1,500m and VHF

[illegible]

RADIO 3 464m, Stereo & VHF

[illegible]

RADIO 4 434m, 330m, 285m & VHF

[illegible]

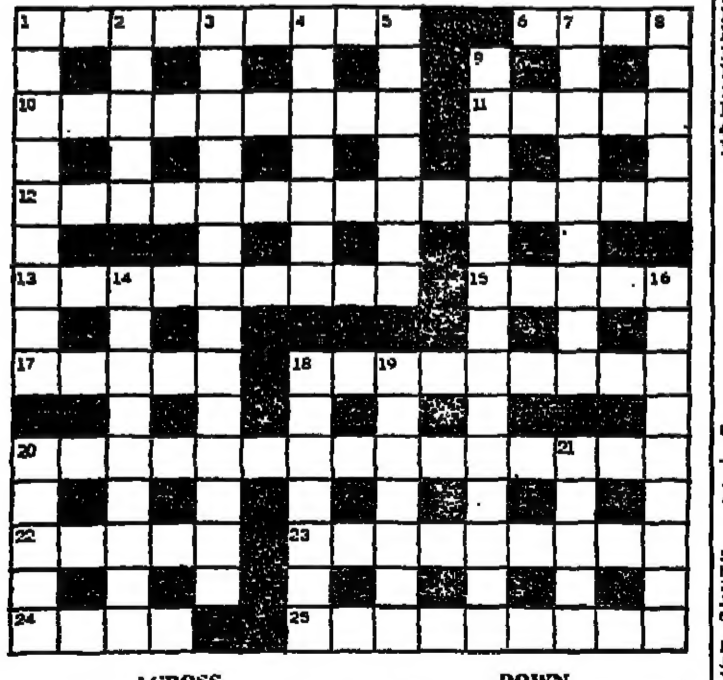
London Broadcasting 417m and 97.3 VHF

[illegible]

Capital Radio 539m and 95.8 VHF

[illegible]

F.T. CROSSWORD PUZZLE No. 2,341



ACROSS

1 Came to left-hand bearing at end of brush (5, 4)
6 Box and get blows in return (4)
10 Protect worker being accused (9)
11 Brisk warning of danger (5)
12 Present in inadequate numbers—the antithesis of being bald (4, 2, 3, 6)
13 Gave asylum to a ship (9)
15 Twig one going in the basket (5)
17 Write to Council of Europe for money (5)
18 Becoming alert and not going to bed (7, 2)
20 The obstinacy of those suffering from torticollis (15)
22 Rouse and get up about one (5)
23 Roaming in the mine is the detective's problem (7, 2)
24 Kick the boat (4)
25 Amount shown in the red must be calculated again (9)

DOWN

1 Rotter upsets his pet—a period of training is indicated (9)
2 Mohammedan priest in civvies (5)
3 Be fortunate—having mud on one's shoes (4, 2, 4, 4)
4 One who can adjust an electrical fitting (7)
5 Remould and go over again (7)
7 Unreasonably bold and taking for granted (9)
8 Assessed the value and scolded (5)
9 So-so, or just Tom idling round start of day (4, 2, 8)
14 Translation of a musical performance (9)
16 Stowed away and reposed while about it (9)
18 More inclined to be a soaker (7)
19 Begin to discount (4, 3)
20 The way to tear open and lose the thread (5)
21 Keen type of beaver (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Government policies: 'public must be told'

BY LORNE BARLING

LEGISLATION TO establish the public's right to information about the policies and activities of government departments and other public bodies, was called for in a Fabian Society pamphlet published yesterday.

The pamphlet, written by Mr. Robert Sheldon, Labour MP for Ashton-under-Lyne, and management consultant John Garrett, says that this right to information should be backed up by sanctions against the unreasonable refusal to comply.

Further, it says that Ministers should have a personal cabinet of advisers concerned with policy studies but not with the management or planning processes of the department.

It points out that many changes in the management and machinery of government have been proposed in recent years and some have been adopted, and the authors examine the effects and purposes of these developments.

They also criticise the Franks report findings on secrecy in government on the grounds that it did not point out the areas where much greater openness was necessary.

While it was essential to maintain security on information concerning individuals, much of the security surrounding government's actions was, in their view, quite unnecessary.

"The problem of the discussion of secrecy is that one's view of secrecy determines the conclusion. If one believes, as many civil servants do, that a calm discussion of problems relatively free from outside pressures is more important than the contribution of an informed society, then the damage done by leaks is large.

"The Franks committee decided this at an early stage and its conclusions inevitably followed."

The report also recommends that junior Ministers should be given greater responsibilities in the management of departments and that there should be greater contact between civil servants and "shadow" Ministers and Opposition committees.

Other proposals included greater investigatory powers for select committees, less secrecy on supply procedures and a review of personnel management procedures.

Administrative Reform: The Next Step—John Garrett and Robert Sheldon; Fabian Tract 426: 20p.

Shoe dumping proved, but trade drops duties claim

SHOE MANUFACTURERS have suspended their long-standing application for anti-dumping duties to be put on shoes imported from Eastern Europe despite the fact that the Department of Trade and Industry has established that dumping has taken place.

Concern about the cheap prices offered by East European manufacturers led to the British Footwear Manufacturers' Federation applying for the imposition of anti-dumping duties in October 1972. In its investigation, the DTI found that some East Europeans were selling shoes at less than the delivered cost price.

The Department then discussed the situation with the countries concerned, and, in view of these discussions and the levelling off of East European imports, the BFMF has agreed to put the application into abeyance.

The BFMF emphasised yesterday, however, that the application could be resurrected if the situation changed.

East European imports of shoes reached 4m. pairs in 1972 selling at the dockside for an average of £1.02 a pair. This year, however, imports have plateaued and the average landing price has risen to £1.32.

Events

To-day

PARLIAMENTARY BUSINESS—

House of Commons: Eight reports by the Committee of Public Accounts, Session 1972-73, and the related departmental reports. International Sugar Organisation Bill.

House of Lords: Fuel and Electricity (Control) Bill, second reading. Traffic Bill, Committee.

A list of to-day's company meetings is to be found in the week's Financial Diary on Page 4.

Maritime bank launched to aid world shipping

By James McDonald, Shipping Correspondent

EURATLANTIS Maritime Bank is claimed to be the first consortium bank providing financial services exclusively for the international shipping community, has been incorporated in the Cayman Islands with initial resources of $12.5m. comprising share capital and letters of credit provided by its five shareholding banks.

The five banks behind Euratlantis are two European and three American, with total resources exceeding $11 billion, according to a statement published by Anthony Nathan.

The banks in question are Amsterdam Rotterdam Bank; Cripps Warburg; Indiana National Bank; New England Merchants National Bank; and Union Commerce Corporation.

Euratlantis, it is claimed, has been trading profitably since the beginning of July by specialising in medium-term finance for the acquisition of new and second-hand tonnage.

"Its present customers are mainly European shipowners but it plans to offer its services to Far Eastern and North American shipowners also. Euratlantis will fund its growth initially by borrowing in the London and Toronto Euro-currency markets."

The statement adds that the initiative for forming the new bank came from Cripps Warburg.

lound House

Agamemnon

by MICHAEL COVENEY

The most recent of the London heatre Group's projects is a iameless bowdlerisation of eschylus' play that does little preserve any of original's ialities of moral ambiguity id domestic complexity. Steven erkoff's company are the horus, the principals and ternalised representatives of ner moods. An obsession with age painting is so insistently idulged that essential textural icounters between both the

The Entertainment Guide is on Page 29

horus and Clytemnestra and ie Chorus and Aegisthus are ibmerged beneath a welter of edantic exercises. We see gamemnon scything through the rojan ranks, a naked Helen atching Paris in her formidable ooby trap, and the rigging of ie still ships at Aulis transormed into the billowing, windirred waves. We hear disembodied voices scanning a wide ange in the cause of appropriate ululation, and the complicated network of vengeance and eprisal ludicrously simplified ito a collage of one-line chants elivered à la Swingle Singers.

Admirably consistent as the erkoff style is, monotony is sure o set in as soon as the group irns in on itself in pursuit of hysical effect. Their version of he *Trial* works very well ecause the *expression* is continually set off by the mesmerised reactions and accumulative victimisation of the miserable Joseph K; the skills of he company are powerfully mployed to create tension both vithin the stage action and *etween stage and audience.* Humour, too, is never far from the *surface.* But the actors' games here smack too much of a private solemnity. Episodes recounted by the Aeschylean Chorus are there not just for narrative decoration, but *to provide* ironic commentary on the latest developments as well as characterising the Chorus's own doubt and astonishment at them. And the tragedy is surely deliberately capped with fresh expressions of bewilderment at the callous revelations of Aegisthus. Unless something of all this intrudes on a production I see little point in doing the play at all. Berkoff might just as well have invited *us to* witness his accomplished troupe performing a series of mimes *to represent* war, sea, wind, night and murder.

The emphasis of the production, within its own narrow ambitions, is on the military exploits and valour of Agamemnon, an element almost minor *in the play itself.* The triumphant commander returns to Argos at the head *of an impressively* equine Chorus line, and the subsequent encounter with his stealing wife is the evening's highlight. As Agamemnon, Berkoff *treads* warily to his doom, the crimson carpet easily converted (courtesy of the lighting) into a brimming blood bath. In the play, of course, all these matters are conducted off-stage. Their representation may be this group's concern, but it was never that of the playwright. It *must* also be said that there is (and I think this is almost the most serious fault in the production) a minimal variation of taste in the automated antics, and one's attention is wandering long before the end of the 90-minutes traffic. The group is, however, worth seeing; but see them in *The Trial* which they present in *repertory for the next two weeks.* weeks.

Royal Academy of Music

La Jolie Parfumeuse

by RONALD CRICHTON

Offenbach, one of the geniuses of 19th century music, is known y a handful of works out of a vast output. We hear virtually nothing of the early years when he was musical director at the Comédie-Française. Though much time and trouble have been devoted to the posthumous *Tales of Hoffmann*, the operettas of his last decade, written after the Franco-Prussian war and the *Commune, are neglected.*

A great deal of the music he turned out under conditions of haste and necessity may be ephemeral, but it is rarely safe to assume so without the test of stage performance. How many of is were prepared for the excellence of *Robinson Crusoe* revived with much success at the *ast Camden Festival?*

Crusoe was a pre-war work. Offenbach was 51 when the war broke out and destroyed the Parisian world he loved and satirised with that heady mixture of intense enjoyment and ferocious mockery. Since he was an experienced old hand as well as a genius, his talent remained, but it was less suited o the milder type of entertainment expected by the middle-class audiences of the new republic, their demands amply furnished by composers like Lecocq, whose gifts, if still considerable, were also milder. *La Jolie Parfumeuse*, now revived by the Royal Academy of Music (two more performances, to-night, and to-morrow) is now 100 years old. It came only six years after *Crusoe*, but is a good deal less of a revelation.

The setting is Paris, not the city of Offenbach's earlier masterpiece *La Vie Parisienne*, with its frenzied comic invention, but more the city of the magazine of the same name. In place of satire, the librettists Crémieux and Blum offer *sniggers and* naughtiness.

An old roué begins to tell his nephew's newly wedded wife the facts of life while himself making a pass at her; a few minutes earlier, she has been forcibly undressed by his chambermaids in preparation for her supposed wedding night. The tickling ensemble this leads to is ingenious, but the sauciness is sad when you think of the earlier *score.*

There are occasional glimmers of the old fire. The three dances from the Opéra, inconveniently alert to catch the old roué out and to make him pay for his pleasures, carry a hint of it; the third act chorus where the perfume *seller's nosey neighbours* insist on hearing about the wedding night has genuine comic verve; in the same act there is a deftly handled letter song, deftly translated by Winifred Radford.

For the rest, the music bowls along with a fund of melody (but without the great tunes of the old days which can still set a *threatre aflame).* Everything sounds well, lies well for voices and instruments. Friday evening's cast sang for the most part very capably. The title role was charmingly taken by Ann James, who is as pretty as a Renoir and has considerably more than the "thread of voice, hardly more than a breath" attributed to Louise Théo, for whom the part was written.

The *travesti* role of her young husband was played and sung with comparable charm by Pamela Brady. The lecherous uncle (transformed from a financier into a general—are financiers sacrosanct now?) was tactfully done by Peter Crowe. Christopher Adams delivered the letter song adroitly. Lorna Washington and Carolyn Allen *deserve a mention.* There will be some replacements at later performances. Good chorus. David Lloyd-Jones conducted, Dennis Maunder produces. The designer (who should do something about the rumpled state of the wedding dress) is Rolf Langenfass.

Paul Joostens: Collage 1917

Annely Juda Fine Art

Belgian artists

by MARINA VAIZEY

Mrs. Juda has, in the course of her "non-objective" exhibitions, opened our eyes to the pioneers of abstract art in Europe. The present exhibition which concentrates on three Belgian artists is eye-opening, too, as we tend quite naturally, as indeed the Belgians themselves have, to think of that country's modes in modern art to be particularly attuned to expres*sionism, and later surrealism.* Felix de Boeck (b. 1898), Paul Joostens (1889-1960) and Victor Servranckx (1897-1965) internationally the best known of the three, are the artists whose work is on exhibition, until December 8, and they exemplify the course of early abstraction in Belgium.

Servranckx worked in Paris, for a while, and knew Van Doesburg, Marinetti, Léger and Duchamp; his work was shown in the Léger and Purist Paris exhibition at the Tate in *1970*, and to paraphrase the point made in that exhibition there was a vigorous artistic ethos that was concerned with the expression of "formal, pure, objective values." His paintings are bold, coloured in a rather tough and *glistening* manner, and the compositions, while non-objective, are nevertheless strongly suggestive of things like targets, and elements of urban life. *Sometimes* they are like strikingly simple jigsaw puzzles, forms slotting into place across the surface. But they are *all* untitled, or simply given an opus number Sometimes he uses tiny little brush strokes, and unusual materials, like cotton or *foil for his collages. Opus I, 1924*, and *Opus I*, 1925, are lively and witty sculptures.

Paul Joostens' collages are sensitive and imaginative; shiny paper, newspaper, *chocolate* paper, bits of torn paper and even bits of tin make patchwork compositions of surprising resilience and subtlety. These works, *exhibit a sure sense of* where to place each little scrap, so that the whole, displays a complex and syncopated rhythm. His layered shapes play with *space with feline delicacy.*

Felix de Boeck later moved away from pure abstraction, but in the works on display, often strikingly coloured with hot pinks *and reds, there is a dynamic* quality displayed in the use of elongated triangles crossing one another, rays and diagonals. There are several abstract landscapes, where stylised forms suggest geometric trees, or hills and sunrays.

The three artists, although very different from each other, *are linked by a sure sense of* form, an imaginative use of texture, a vivid and often unexpected use of colour, whether muted or brilliant. And even more there is a refreshing and gentle wit, expressed in the almost lighthearted dances of lines and geometric forms. The whole makes for a strong—and cheerful—exhibition of artists little known in this country, but who deserve their place in one's *mental list of little masters.*

Covent Garden

Don Giovanni

by ANDREW PORTER

Of all Mozart's operas, *Don Giovanni* is the work that has most eagerly been seized upon —even more than *The Magic Flute*—by interpreters, expositors, and secondary creators and most potently inspired imaginative glosses, explanations, and commentaries. On the basic level, there is the question of musical text; whether to include some, or all, of the extra music that Mozart provided *for the Vienna* premiere—and if so, how to introduce it. On more intricate levels, there is the play and inter-play of comedy and tragedy, *of mummery* and myth, in a very rich and complicated musical drama. Unfair to women it may be, but Don Giovanni stands beside Faust and Hamlet to provide the theatre's basic type figures in the Human Comedy.

And then, *of course*, we must not forget to mention the singers; they have played their parts in giving to each epoch its own *Don Giovanni*. In Paris, the piece was once prized mainly for Rubini's F *in alt*, added to "Il mio tesoro"; that was the moment everyone waited for. In the famous pitting of Sontag against Malibran, the one prima *donna* sang Zerlina, the *other* Anna; honours were shared and no cheeks were scratched; at a party afterwards the two *ladies* warbled Rossini together. Anna was Grisi's role. During Patti's reign, Zerlina was definitely the principal part so far as the connoisseurs were concerned. But for the 19th century romantics Don Giovanni was a rebel hero, *splendid as Lucifer*, defiant to the last; in his short story, E. T. A. Hoffmann had limned the dramatic Anna who was the only woman worthy of his mettle. Then psychologists invited us to speculate about Anna's unhealthy obsession with her father, her extravagant cries for vengeance, her lovingly cradled grief in "Non mi dir."

After the war, a series of lustrous Elviras — Suzanne Danco, Schwarzkopf, Jurinac— coincident with a dearth of fiery Annas once Ljuba Welitsch had left the stage, almost turned the opera into Donna Elvira's tragedy. *Meanwhile, we* had Giovannis cruel, reckless and attractive; Giovannis dangerous and evil; but always Giovannis who aspired in the final encounter, *to some sort of heroic* stature—until Virginio Puecher, in his production for the 1965 Holland Festival, gave us an unheroic hero, a Farouk-like figure who collapsed at the threat *from* a huge, hollow puppet that creaked on in the panoply of Spanish Catholic knight. Anti-social parasite met conventional morality, and both were swept away.

In the post-war years, the standard *Don Giovanni* was probably Vienna's: a balanced performance, usually of uncommon *musical* polish and finesse (say Elisabeth Grümmer, Jurinac, Paul Schöffler, Erich Kunz, Anton Dermota, Ludwig Weber as the Commendatore), in swift-moving, neo-classical scenery by Robert Kautsky. It came to London twice; Salzburg and Munich versions were *on the* same basic lines. Then, at Glyndebourne, Günther Rennert brought more *danger* and violence to the dràma; Peucher, in Amsterdam, still more. Felsenstein in Berlin and Michael Geliot in Cardiff gave us keen, fresh vernacular performances, all realism in action and reaction, unmodified by conven*tion.* At *Covent Garden* Solti and Zeffirelli preferred a heavy, opulent, old-fashioned presentation that could nevertheless be very powerful whenever there was a cast strong enough to carry the gorgeous costumes, dominate the scenery, and generate sufficient tension to hold through the long scene changes.

There is no definitive presentation of the opera. As an extreme *example of the shifting patterns* that may emerge under a steady look we can take Brigid Brophy's essay on the work, in her *Mozart the Dramatist* in Don Giovanni *and the Commendatore she discerns* first a *Hamlet*-like son and father, then a Son and a Father, and finally a homosexual bond between the two of them! Covent *Garden's latest addition to the Giovanno* chronicle can be welcomed as an ambitious, thoughtful, imaginative and striking presentation of the opera, not equally successful in all its details, but with plenty of character.

The conductor is Colin Davis, the producer John Copley, and the designer Stefanos Lazaridis. I was away when the show first came on, last season. A critic, perhaps better than anyone else, knows how difficult it is to form any idea of what a show is like merely by reading the notices, but at any rate it was plain that this Covent Garden *Don Giovanni* divided opinion, and that the team had not simply continued the line *of* its very successful *Figaro.* For this season's revival, the production *and scenery have been clarified*, and the cast is very much stronger. The first perform*ance, last Wednesday, was* warmly received.

The action emerges from a labyrinth, a maze of rods and ropes, stretching from floor to flies, tall screens part-concealing, part-revealing a hundred paths and possibilities. Anna and Giovanni are the first *to explore* it, appearing at it's heart, then emerging for a while into a pool of light where we can study their encounter. In addition to these mysterious screens, which shift to suggest new patterns and provide new levels, there are giant *mirrors, cunningly dropped in* during episodes when the characters either pause for self-reflection, or reveal to us aspects of their personalities that they themselves cannot behold. Mirrors are used to striking effect to show us, in the round, *Don Giovanni's own image of* himself, during the so-called Champagne aria, and to intensify Anna's self-absorption, even while addressing Ottavio, in *"Non mi dir." At the denouement* the labyrinth is razed at last, with a large coup de théâtre, and all clears into whiteness for the envoy.

Mr. Lazaridis has gone too far with some of his costumes, particularly in the opening *sequences. The idea of them is* bold, but in practical terms their voluminous flow impedes the action of the singers. The ballroom scene is so elaborately overdressed that the electric menace of that first finale is dispersed in grotesquerie. And in the second finale, to gain his one big extra effect, Mr. Lazaridis has sacrificed two things more important: the Statue's marble footfall, and its icy, inexorable *grasp on Don Giovanni's hand.* So neither finale quite crowns its act, and Mr. Copley will doubtless continue to develop his ideas for them. Otherwise his presentation of the three women, and of Don Giovanni's relation to each, is masterly. All the characters thread the mazes of half-perception, pierced by sudden, blinding shafts of self-awareness, with dramatic precision. The stage-pictures subtly mirror the psychological dramas.

Two small production points are worth making. In the first finale, Mr. Copley mistakes the moment of unmasking. Three masks should drop in turn, on those three accusatory entries. The music makes it clear—and *if this is not enough*, a glance at Mozart's autograph and his clear instructions confirms it. In the graveyard scene, Giovanni fails to observe the Statue's second nod, and to register the sudden awe which the violins tell us he feels—until, with the *change of harmony*, he dispells it in bravado.

And then, of course, we must not forget to mention the singers! Margaret Price's Anna, *her first at Covent* Garden, was a richly wrought portrayal, nobly sung (until, in the allegretto of the second aria, she aspirated the divisions, huffed and puffed at *the repeated notes*), *in full tones* now flashing, now smoked with grief. Fury and forced composure were nicely balanced in her interpretation. Kiri Te Kanawa's first Elvira was a glowing and passionate performance, securely and eloquently voiced, romantically phrased. A shade more legato, and the necessary appoggiaturas, would have made her first entry even more affecting. Teresa Cahill's Zerlina was pretty, but in *this context* she seemed a Barbarina promoted too early (Mozart composed Zerlina for the Prague Susanna; in Vienna he assigned the role to his Countess).

Cesare Siepi, in the title role, was assured, gallant, chivalrous, less dashing of *voice than of old* (after all, he has been seducing Zerlinas from Erna Berger onwards) but no less *dashing of* presence: all in all, a large-scale, notable impersonation. Richard Van Allan's Leporello was intelligently conceived, resourceful unclowned but not unwitty, and excellently sung, with very long breaths in the "Perdon, perdono" section of the sextet. Ryland Davies presented Ottavio, and his two airs, with considerable grace, firmness, and courtesy; but his voice lacked *fullness* and beauty of tone. Robert Lloyd sang Masetto's music strongly but too bumpily: surely he should be doing *basso nobile* leads with a smaller company rather than subaltern roles at Covent Garden. Joseph Rouleau's Commendatore needed a *steadier* force in the tremendous utterances of the final scene.

Mr. *Davis* conducted a bold, clear performance, excellently played. Once or twice, one felt he was trying to bounce the Covent Garden orchestra into a vitality *that came more* naturally in his earlier interpretations. (*Don Giovanni* was the first opera I heard *Mr. Davis conduct—David* Cairns as Leporello) but for the most part the reading had pace without any sense of hustle, force without any sense of forcing. *There* was telling details: among them, the first violins' echo of Elvira's sighs and the second violin figure striking in at bar 13 of the overture.

Some appoggiaturas have been lost since Mr. Davis continued the work at Covent Garden in 1967. *Leporello now gracelessly refuses* Mozart's invitation to a little flourish on "sentinella." Ottavio now eschews variations in the reprises of his airs. Two *of* the three Vienna numbers (not the Zerlina-Leporello duet) were included, and "Mi tradi" was introduced rather abruptly, shorn of the dialogue between Zerlina and Elvira that should precede it. The solution to this awkward sequence from "Il mio *tesoro" onwards, is found* in the Vienna libretto. Anna leaves at the end of the sextet. To the words "si sostrasse l'iniquo" Zerlina adds "Masetto, vieni meco" and goes off with him. Ottavio addresses "Il mio tesoro" to Elvira, rather than *inviting a peasant couple to* wipe away Donna Anna's tears; and then, if the Zerlina-Leporello duet is omitted, Elvira is left alone to sing "Mi tradi."

*

In next Monday's paper Dominic Gill will be writing about John Cage's "Cheap Imitation," which is being performed to-morrow in Manchester and on Friday in the Queen Elizabeth Hall.

Coliseum

Die Fledermaus

At the Coliseum last Thursday the Sadler's Wells Opera production of *Die Fledermaus* was revived *for the fifth year* running since the company moved from Rosebery Avenue. It may be true that one swallow does not make a summer, but a single *Bat*, flying down St. Martin's Lane on a cold winter's evening can *generate enough warmth and* light and sheer good humour to make a large audience forget that any other means of heating and illumination are required.

The *chief magician* of course is Johann Strauss the younger, whose marvellous tunes and dance rhythms, now 99 years, six months and three weeks old, can cast a spell over ears used to very different kinds of music. As conducted by Bryan Balkwill, with a combination of firmness and yielding rubato, the tunes once again prove irresistible, while the rhythms come within an inch of drawing the mesmerised listeners from their seats into the aisles to join in the dancing. Glen Byam Shaw *has carefully rehearsed his production*, and though Jane Kingshill's sets have had to be expanded and altered to fit the bigger stage of the Coliseum, the garden of the Villa Orlofsky in Act 2 still gets a round of applause as the curtain goes up.

The cast *for this* revival is mostly familiar, but there are two very welcome newcomers. William McAlpine makes a splendid Alfred, generously dispensing the top notes that appeal so to young married women, and treating us to *selected gems from his repertoire* (Manrico, Alfredo, etcetera) in the prison scene. As Prince Orlofsky, Ann Hood looks *perfectly* the young sprig of the Russian nobility, and manages to express her ennui without being *in the least* boring. She sings with equal accomplishment.

Valerie Masterson is a delicious Adele, tossing off "My dear Marquis" with grace and preci*sion. It is quite evident that she* is totally wasted as a parlourmaid, and will soon become a star of operetta. Anne Evans lends Rosalinda all the charm and *power of* her fine voice, so that the Czardas remains the musical highspot of the whole score. She assumes a gorgeous Hungarian accent for the duet with Eisenstein, and well deserves to win his chiming watch away from him. Emile Belcourt, back in his old role as Gabriel von Eisenstein, has the presence and wit for the part.

Eric Shilling is his incomparable self at Colonel Frank, the *prison governor*, and John Kitchiner, an experienced Dr. Falke, stage-manages the Bat's revenge with urbanity. Brian Casey is a good Frosch, as Frosch's go, though I must confess to finding the gaoler's scene rather tedious. No doubt the great Girardi, the original Frosch, had his audience at the Theater an der Wien in fits, and Mr. Casey gets plenty of laughs, but my own spirits revive with the entry *of Colonel Frank.* All the same, the 1973 vintage is a particularly good one, and I recommend a visit to all lovers of champagne.

ELIZABETH FORBES

SPORT: SOCCER

Great entertainment on ice at Elland Road

BY TREVOR BAILEY

THOSE PERKY, precocious and, above all, clever newcomers to he First Division, Queens Park Rangers, achieved a memorable 2-2 draw at Elland Road on Saturday. Although they might well have ended Leeds' long, unbeaten run *if* the referee had not disallowed a goal which looked perfectly legal, just before the interval, the result *itself* was a fair reflection on the match as a whole.

Protracted

In the first half Leeds overdid the high ball in the air and, in general, their build-ups were too protracted to suit such an untrustworthy pitch. *When moving* forward the Rangers were more direct, so that though they pressed less, they promised rather more and fully deserved to be leading at the interval.

Inspired by Bremner, who scored the equaliser with a powerful drive from just outside the box, Leeds stormed back into the game with a brilliant spell of attacking football that repeatedly cut its way through Rangers' defensive network. This purple phase lasted some 25 minutes and would have produced more than the two goals, if it had not been for the exceptional agility of Parkes, who made fine saves from Clarke, Bremner and Lorimer.

Having won back the initiative Leeds relaxed, enabling Bowles, who had been so much in evidence in the first session, and non-contributory in the second, to obtain the equaliser. Despite this *setback* they would still have won, if McQueen, whose heading out of defence had been most *impressive*, had not fluffed the easiest of chances in the closing minutes.

The playing surface was hard and treacherous, giving the players considerable difficulty in keeping their feet, so the game could, and possibly should, have been *called off*, as was a high percentage of matches.

It is feasible to play a version of football on practically any pitch, but it could be argued that it *is* undesirable to stage important First Divisions contests when the conditions increase the chances of serious injury to valuable players, and *when* luck can so easily prove the decisive factor.

Entertaining

As it happened, the match itself, thanks to the ability of both teams, was vastly entertaining, with plenty of excitement, many breath-taking moves, four goals, and an abundance of brilliance and bravery.

On the other hand Leeds did lose another player, Bates, something they can ill afford with their already over-large casualty list. Both managers must have been relieved when the final whistle went without any broken bones.

At a time when English *football* is under something of a cloud, it was especially pleasing to report there was nothing wrong with the football served up by *Leeds and QPR.*

There was also nothing wrong with the 500 Rangers' supporters, with whom I travelled on a special train. There was no trouble, only humour, which convinced me that a football special can be a sensible, civilised and *economic method of travelling.*

The most impressive feature about the Rangers' supporters, for whom a visit to Leeds is still something of an occasion, was that they are not entirely blinkered and enjoyed the football itself, not merely the result. Long may they retain this outlook and their team remain so much fun to watch.

In conclusion, congratulations to the 23 players for demonstrating so well that there is still craft and heart in English football, despite taxing conditions; ten out of ten to both teams and thank you very much.

Defeat for Leeds' rivals

LISBON, Dec. 2.

VITORIA SETUBAL, Leeds United's opponents in the third *round* of the UEFA cup, were beaten 2—1 away by CUF to-day in a Portuguese League match.

Leeds, who beat Vitoria 1—0 at Elland Road last Wednesday in their UEFA Cup first leg, meet them in the return in Setubal on Wednesday week.

Reuter

RUGBY UNION

Rugged Lancashire recover to earn semi-final place

BY PETER ROBBINS

DESPITE THEIR poor first half, Lancashire recovered to defeat Yorkshire at Fylde by 16-8. This gives them a place in the county championship semi-finals, in which they will probably meet Eastern Counties, who sent *Dickie Jeeps* to watch the game.

Lancashire, with all their forward talent, gave a schizophrenic performance. Initially they were clumsy in their handling, distribution and immediate tactical appreciation.

Their machine, highly tuned up front, was not complemented by their backs. McDonnell had an unhappy first half, dropping many passes and distributing those he caught with little regard for the situation. Roughley and Glover, in imitation, compounded the forwards frustration.

The Yorkshire pack was pushed back quite easily, but were nevertheless skilful at close quarters, Greenwood, Hryschko and Aspey all taking on the *Lancashire heavies. As Lancashire* won the ball, so Donovan, particularly, Leathley and Robinson, were there in full spate.

Old, playing with reassuring calm and deep insight, kicked beautifully to keep the attackers out and his own side in the game.

A glimpse

After a glimpse of Lancashire's sophistication, Yorkshire surprised everyone by scoring after four minutes. Robinson picked up a loose ball and gave Donovan a quick and final inside pass.

Ten minutes later, after Scotter had missed three fairly difficult penalties, Yorkshire scored again when Hryschko picked up and Scotter and Donovan exchanged passes before Leathley crossed. Scotter could not convert, but this lead gave Old the confidence to run.

Lancashire then began to look ominously more precise and only fractional back errors prevented scores. Just on half-time McDonnell dropped a goal.

After the break the game changed dramatically for three reasons. The scrumming power took its inevitable toll, McDonnell began to catch faultlessly and at speed, and Neary *changed his* tactics so that McDonnell kicked long, making Yorkshire turn in panic.

Trickey and Beaumont now ruled the line-out, while Neary and Creed worked in clever collaboration with Ashton at the base of the scrum. Creed looked a far more inventive player than when he was playing for Coventry.

Rhythm

Ashton nearly scored from Creed's clever pass and Roughley was just held from McDonnell's kick, all indicating increasing pressure from Lancashire, who scored their try by heeling against the head and wheeling quickly for Neary to touch down.

The rhythm of the game changed, Lancashire paradoxically showing real teamwork. Sadly, the left wing, Briers, was carried off after a clever interception with a badly broken leg.

With just under 15 minutes to go, Gullick gave Lancashire the lead for the first time with a penalty.

Old bravely tried to put Squires and Smith away several times, but Lancashire's kicking sent Yorkshire scurrying back.

Anderson settled the match when Ashton made a break, carried on by Roughly and Bayman with Trickey. At the regrouping the Lancashire pack surged forward and Anderson scored, Gullick converting. Yorkshire were not *finished, but on the* day their earthy and whole-hearted approach could last only so *long against Lancashire's* rugged and fundamentally better organised efforts.

Joyce Smith's German win

ERPEL, W. Germany, Dec. 2.

JOYCE SMITH, the 36-year-old Barnet housewife, won a 2,500-metres race here to-day. It was her first contest for four months —she has been out of competi*tion since the Europe Cup semi*-final match in August with a hair-line fracture of a leg.

Her time over the snow-covered course was 10 min. 33.2 sec. Second and third were two West Germans, Christel Rosenthal and Ellen Tittel.

Willy Polleunis (Belgium) won the men's 10,500-metres cross-country event in 31 min. 3.8 sec. Ricky Wilde of Britain was sixth in 32-03.0.

Reuter

David Coleman returns

SPORTS COMMENTATOR David Coleman, who left Britain to seek work with the U.S. television last *autumn, is to work again for BBC* TV. Mr. Coleman will commentate for the BBC at the British Commonwealth Games in New Zealand next January.

RUGBY LEAGUE

Australia's Ashes

BY KEVIN RAFFERTY

THE AUSTRALIAN Rugby League tourists thrashed Great Britain at Warrington, on Saturday by five tries—15 points —to a solitary try and a penalty *goal—5 points—to* take the Ashes by two Test matches to one.

In the previous games, there had been moans from British supporters about the brutality of the *Australian* play and the quality of the refereeing. This time the Australians played a vigorously fast and exciting, but clean game, and long before the end the Poms were whingeing at the desperate tactics of their own side as British stiff arms and fists swung carelessly about.

Indeed, the best hope is that this defeat, only the third home *series that Britain has lost, could* spur an overhaul of the game.

At times I wonder if several decades ago, when the game was popular and typical of life in the huddled industrial revolution towns around the Pennines, someone jammed a collective *cloth cap over the heads* of players and administrators to prevent them seeing beyond that time.

Each Australian try spoke eloquently of their *superiority.* The first, a Fulton interception from a clumsy Clawson pass on the half-way, showed successively British sloppy passing, Australian *sharpness for* the main chance, and speed in following it home, and British slack covering.

The second, by second-row forward Maddison, displayed thorough-going imagination and half-hearted British tackling: halted on the right, the Australians punted a high Garryowen kick just left of the posts and Raudonikis fed Maddison who ran through two men.

For the third try Maddison treated his *opponents as if* mere figures conjured up from the frozen mist; four men grasped but failed to make sufficient contact.

Australia's fourth was a lingering team effort, after Raudonikis had forced an opening through slack defences; with the half-backs directing play like eager *jack-in-the-boxes. the attack was* switched from right to left and back inside as the Britons played one move behind every pass.

Finally, the Australians were *able to throw the* ball across the field, backwards, drop it, watch two Britons hesitate in an "After you, Claude"—"No, after you," pantomime, and snatch it up again to score.

If the British players and authorities add up those items, they have a supermarket shopping list of things British Rugby League could do about the play. Some of them are elementary.

One of the earliest lessons taught at school is man-to-man tackling, yet the British, although vulnerable themselves to an individual tackle, were generally unable to overwhelm an opponent without three or four of them overpowering him, and even then he was frequently able to throw the ball clear.

More fiery

Rugby League has many things to offer. At school boy level it is an easier game to learn, because it does not demand the sophistication of line-out play, *rucking, and peeling.* A good game is faster and certainly more fiery than Rugby Union.

Properly played, League allows more originality than American football. Played as mindlessly as Britain played on Saturday, it is like *American* football without the contrived artistry and the protective head-gear, as exciting and bloodily pointless as trench warfare. But its supporters fear that this is the way it has chosen to slug out its future.

Businessman's Diary

Bahamas come to London

THERE is no sign so far that the petrol situation is affecting the exhibitors at the London International Boat Show to be held from January 2-12 at Earls Court. Exhibitors are scheduled from 18 overseas countries and boats are already being unloaded at the docks.

Over 400 British companies are to take part and there will be a total of 600 different boats on show. Prices range from under £500 to well over £30,000. The show completely fills the 11 acres of exhibition space and up to 10,000 foreign visitors are expected.

Next year's setting for the show will be Nassau—a Bahamas atmosphere created in West London and in which boats will rock with a touch of reality in the tank that takes 2.5m. gallons of water to fill. One of the new breed of gas-turbine powered boats will grace the forecourt of Earls Court.

The show overflows in that an additional 15 craft will be moored at Cadogan Pier, Chelsea, for which there will be a free shuttle coach service.

Woodworking at Olympia

IWIE—the International Woodworking Industries Exhibition to be opened to-morrow by the Minister for Industry, Mr. Tom Boardman—is said by the organisers to be more than twice the size of any previous such show in the U.K.

There will be 251 companies represented from 14 countries and the show is taking up the Grand and West Halls at Olympia, London.

A late, special event at the exhibition will be a conference on "Tools for development." This is being organised by the Intermediate Technology Development Group and is to be held on December 6.

The show continues until December 8.

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Professional Model Makers' Exhibition (cl. Jan. 5)	Design Centre, S.W.1
To-day	Royal Smithfield Show (cl. Dec. 7)	Earls Court
Dec. 4—6	Fabrics from France Exhibition	Mount Royal Hotel, W.1
Dec. 4—8	Woodworking Industries Exhibition	Olympia
Dec. 19—22	Dunhill Int. Show Jumping Championships	Olympia
Dec. 28—Jan. 6	Camping, Outdoor Life & Travel Exhibition	Olympia
Jan. 1—12	Model Engineer Exhibition	Seymour Hall, W.1
Jan. 2—12	International Boat Show	Earls Court
Jan. 5—12	Racing and Sporting Motorcycle Show	Horticultural Halls
Jan. 9—17	Hotel and Catering Exhibition	Olympia

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	Mechanical Handling Exhibition (cl. Dec. 7)	Paris
Current	Intnl. Exbn. of Horticultural Technology (cl. Dec. 3)	Ghent
Current	International Furniture Show (cl. Dec. 3)	Brussels
Dec. 6—10	International Wine Fair	Verona
Dec. 11	European Trade and Industry Conference: organised by the Financial Times, Fédération des Enterprises de Belgique, Office Belge du Commerce Extérieur, British Overseas Trade Board and the Confederation of British Industry	Brussels
Dec. 13—18	Intnl. Exbn. of Caravans and Accessories	Amsterdam
Jan. 4—13	Intnl. Sportsmen's Vacation & Travel Show	Los Angeles
Jan. 5—13	International Textile Machinery Exhibition	Sao Paulo, Brazil
Jan. 6—10	China and Glass Exhibition	Atlantic City
Jan. 7—10	Intnl. Hotel, Café & Restaurant Exhibition	Amsterdam
Jan. 7—11	Trade Fair for Travel, Leather Goods & Souvenirs	Utrecht
Jan. 8—11	European Knitwear Exhibition	Milan
Jan. 9—13	Intnl. Trade Fair for Home Furnishing Textiles	Frankfurt

BUSINESS AND MANAGEMENT CONFERENCES

Current	Financial Times and City University: FT-City Course (cl. Dec. 13)	City University, E.C.2
Dec. 4—5	Financial Times, Petroleum Times and British Airways (BOAC): The North and Celtic Seas	Royal Lancaster Hotel, W.2
Dec. 4—5	Imperial College: Safety & Economics	Prince Consort Road, S.W.7
Dec. 4—6	Frank Jefkins: Planning Press Relations	Connaught Rooms, W.C.2
Dec. 4	Imperial College: Distribution Network Theory	Exhibition Road, S.W.7
Dec. 4—6	Industrial Society: Managing People	Washington Hotel, W.1
Dec. 6	Fin. Times and Inst. of Chartered Accnts.: Inflation Accounting—Alternatives and Implications	New London Theatre, W.C.2
Dec. 6—7	Marketing Improvements: Practical Pricing	Portman Hotel, W.1
Dec. 6—7	EBI: Cutting Maintenance Costs	Quaglino's, S.W.1
Dec. 9—14	TMP (Lancaster): Selling to Organisations	Cudham Hall, Kent
Dec. 10	BAS: Land Hoarding Charge	18 Mansfield Street, W.1
Dec. 11	MCL: Overhauling Accounting Systems	Prince of Wales Hotel, W.8
Dec. 11—14	Brunel University: Workplace Negotiations	Uxbridge, Middx.
Dec. 12—14	IMRA: Export Marketing Research Course	Whateley Hall Htl., Banbury
Dec. 12—13	Fin. Times and Professional Administration: Action for Company Pensions	London Hilton, W.1
Dec. 13	J. Morrell & Ass.: Exchange Rate Movemts. in 1974	Carlton Tower, S.W.1
Dec. 13	Ass. Bus. Progs.: Pay & Prices Code, Phase 3	Royal Lancaster Hotel, W.2
Dec. 13	Airflow Devs.: Conference on Air Pollution	Connaught Rooms, W.C.2
Dec. 13—14	SML: Creativity & Innovation Workshop	London Business Sch., N.W.1
Dec. 14	Legal Studies: Consumer Credit: New Legisltn.	Royal Lancaster Hotel, W.2
Dec. 14	Investment & Prop. Studies: Eurobonds	London Hilton, W.1
Dec. 16	W. D. Scott: Simplified Office Standards	Moor Hall, Cookham, Berks.
Dec. 16—21	HTS: Group Dynamics of Work Situations	High Wycombe, Bucks.
Dec. 18	BACIE: Visual Aids	16 Park Crescent, W.1
Jan. 6—11	TMP (Lancaster): Marketing Management	Cudham Hall, Kent

Pyramid sale trust fund to be closed

FINANCIAL TIMES REPORTER

GOLDEN CHEMICAL Products, one of the biggest companies associated with the pyramid selling method of marketing, has adapted its operations to comply with the requirements of the Government's new legislation on multi-level selling. As a result the trust fund set up to compensate unsuccessful salesmen is to be closed.

The fund was set up last year to answer one of the main criticisms of pyramid selling—the difficulty unsuccessful salesmen had in selling goods back to the pyramid selling operators if they failed to sell them to the public.

Trustees of the fund were Mr. Ray Mawby, the Conservative MP who tried to introduce legislation regulating the practices of pyramid selling, and Mr. Gordon Baker of the Consumers Union.

Setting up the fund meant that distributors who had sold some of their stock could sell the rest back to Goldon Chemicals for 90 per cent. of the price they originally paid.

In the spring of this year the Government announced that it had decided to ban the practice of pyramid selling and in September the paying of a recruitment incentive was outlawed under the Fair Trading Act. This was followed last month by regulations banning other objectionable features associated with pyramid selling.

Included in these regulations was a clause requiring all multi-level companies to buy back a distributor's goods at 90 per cent. of the purchase price if the distributor wished.

Golden Chemicals now says it has adapted its marketing methods to comply with the new legislation, so the trustees have decided that the fund is no longer necessary.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The sub-division shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
Bryant, Birmingham, 12.
Dowding & Mills, Birmingham, 12.30.
EMI, New London Theatre, W.C., 11.
North Sea Assets, Edinburgh, 12.
Paterson Zochonis, Manchester, 12.

BOARD MEETINGS—
Interims:
Alpine Soft Drinks
Associated Tooling Industries
Atkins Brothers Hosiery
Bremner
Amos Hinton
Lasiemere Estates
London Asiatic Rubber
Rugby Portland Cement

DIVIDEND & INTEREST PAYMENTS—
Alcan Aluminium, 25cts.
Ariel Industries, 0.45p.
Ashdown Investment Trust 3½pcPf. 1.225pc.
Bonser Engineering, 0.315p.
Capitol & Allied Theatres 6pcPf. 3pc.
Continental Union Trust, 0.56p.
Dart Industries, 10cts.
Dowding & Mills, 0.5835p.
Dunbarton 9½pcRed. 1979-81, 4¾pc.
Estates Duties Investment Trust 2.8p
Getan, 0.7875p.
Glenlivet Distillers, 1.4875p
Hutton (E. F.) Inc., 10cts.
Ingersoll-Rand, 54cts.
Japan 4pc Sterling Ln. 1910, 2pc.
Joviel Properties, 3.5p.
Kennedy's (Builders Merchants), 1.65p
Mackinnon of Scotland, 0.875p.
Manchester Ship Canal Db.Stk. 2¾pc.
Mansfield Brewery, 0.567p.

…

Kalamazoo 3.38p
Lawdon 1.523p
Lowland Inv. 0.89375p
MTD (Mangula) 12cts
Magnolia Manufacturing 0.56p
Midland Bank Ln. 3.829pc
Ramar Textiles 0.48125p
Reigate 6¾pc Bonds Red. 12/6/74 3⅜pc
Riverview Rubber Estates Berhad 10cts
Rubber Regenerating 0.4375p
St. Albans 7pc Bonds Red. 11/12/74 3½pc
St. Martins Prop. Ln. 2¼pc
Sale Tilney 1.75p
Sena Sugar Ests. Db. 4¼pc
Sheepbridge Eng. 0.98p
South British Insurance 10.5cts
Sphere Inv. Tst. 0.875p
Staffordshire Potts. 2.40625p
Stanwood Radio 0.3675p
Warner Estates 1.05p
Young Brewery A and N.V. Ord. 0.75p

SATURDAY, DECEMBER 8

DIVIDEND & INTEREST PAYMENTS—
Bainbridge Bros. Engineers 0.525p
Cannock 6¾pc Bonds Red. 11/12/74 3⅜pc
Clackman 5½pc Bonds Red. 12/12/73 2¾pc
Clyde General Tst. Fund Inc. 0.7p
Dhamal 5pcPf. 1.75pc
Gravesend 5½pc Bonds Red. 12/12/73 £2.8103
Reed Intnl 5pcPf. 1.75pc. 7pcPf. 2.45pc Ln. 2¼ 3¼pc
St. Albans 6pc Bonds Red. 12/6/74 3pc
Tamworth 6¾pc Bonds Red 11/12/74 3⅜pc

SUNDAY, DECEMBER 9

DIVIDEND & INTEREST PAYMENTS—
General Scottish Tst. Db. 2¼pc

THE WEEK IN THE COURTS

NIRC President's role of judge-cum-conciliator

BY JUSTINIAN

TO BE A judge in England is to sit aloof and adjudicate upon the rival contentions without descending into the arena. To be a conciliator is to discard the judicial garb and talk with the warring factions so as to resolve the immediate dispute: a settlement so produced usually involves both sides conceding part of their claims. Both are roles that the lawyer is well suited to perform, the former perhaps more so. But whether the lawyer can perform both roles simultaneously within the framework of a court of law administering a single Act of Parliament, which passes the buck of industrial disputes to it, is what to-morrow's motion in the House of Commons is all about.

The Industrial Relations Act, 1971, is seen by some people within and outside the trade union movement as an instrument to curb the powers of the unions. Some may regard that aim as desirable; others may not. But what can be generally agreed is that the architects of the Act sincerely hoped that this novel machinery for coping with industrial disputes would produce stability in labour relations.

Those who are propounding this week's Parliamentary motion also sincerely believe that the workings of the Act have done nothing to stabilise relations but have disrupted whatever good relations there existed between management and labour.

Hot potato

The lawyer cannot begin to answer these questions, which are the province of the politician. What the lawyer can do is reflect how far the political hot potato of industrial relations is capable of rational and orderly resolution within the framework of a court of law. One thing is blindingly clear. While the Act provided for many decisions to be made exclusively by the relevant Minister, it is in no sense a political tool with a veneer of judicial decision-making. The National Industrial Relations Court is still there to superintend the Executive; it can, for example, refuse to make orders for a "cooling-off" period or for a ballot if the Minister is not acting in good faith or has misinterpreted the law.

The NIRC's first, and so far only, President readily accepted the novel role of judge-cum-conciliator. It is his performance in such a unique role that has become subject to question. In the early days, when some fierce issues preoccupied the court, Sir John Donaldson and his lay colleagues proclaimed that they were both declaring the authority of the court and at the same time seeking to further the settlement of industrial disputes.

Where the court has had to deal with unions declining to acknowledge the court, the authoritarian role has been dominant. It is difficult to believe that fining the AUEW £75,000 for contempt of court can have been a useful step towards conciliation in the case of the union and Con-Mech. At best it could only lead to submissiveness by the union to the will of the court for its orders to be obeyed.

The manner of the fining of the AUEW discloses the awkwardness, to say the least, of the seemingly incompatible combination of the roles of judge and conciliator. The initiation of the proceedings by Con-Mech and the deliberate refusal of the AUEW to appear before the court immediately thrust Sir John and his lay colleagues into the judicial role of insisting that its orders be complied with. Any hope of invoking conciliatory powers was forlorn so long as the court was being snubbed. But Sir John clearly hoped that conciliation would come into the picture once the AUEW could see the folly of its ways. He had not abandoned his consistent theme of running the court's two roles side by side.

This attitude led perhaps to the errors of the later stages of the sequestration and the fine. The sequestrators were ordered to seize £100,000 of union funds. They, not unnaturally, took the most readily available, which happened to be a loan made out of the union's political funds to a local authority; the sequestrators called in the loan. These funds were in fact not protected from being seized, despite some vigorous public assertions to the contrary.

Open to criticism

It was here that Sir John laid himself open to criticism. Once alerted to the claim that the funds might be protected from the fine which had been inflicted, he chose to do nothing but leave it to the union to come forward and substantiate any claim that the fine had been exacted out of protected funds, knowing full well that the union would not forgo its continuing refusal to acknowledge the court.

If a court is made aware that one of its orders may have been enforced improperly, it should of its own motion, call its enforcing officers—in this case the sequestrators—to account. Supposing a court were to sentence a man to death and issue a warrant to the Sheriff to carry out the execution, and it happened that the wrong man was to be executed, would a court sit by until a relative of the wrongly condemned man came to court and pointed out the error of the Sheriff?

It would have saved much argument and wrong assertion if the Industrial Court had held a hearing to satisfy itself that the funds of the union had been properly seized by the sequestrator.

At the same time as the AUEW case there was another instance when Sir John adopted a conciliator's role in preference to a judicial one. When the employees of the Mitsui Bank in London had voted, by a majority of one, not to acknowledge the National Union of Bank Employees, in pursuance of an agreement between the bank and the union to resolve the issue over NUBE recognition Sir John declined to enforce the result of the ballot. Instead he referred the matter to the Commission of Industrial Relations. The Court of Appeal, overtly critical of Sir John Donaldson, reversed that decision and said that the agreement was legally enforceable.

Judicial cloth-cap

The Court of Appeal was in turn criticised by at least one commentator for being too legalistic. That is a charge which courts can stoically face because that is the assigned role for courts of law within the democratic society. It is when courts are accused, fairly or unfairly, of departing from legalism and adopting a diplomatic if not political role that they are less able to defend their actions.

The fault is not Sir John's; it is that the task given to him by the Act of Parliament is not one for an ordinary court of law manned by the traditional judiciary. Sir John caught the spirit of the Act from the moment he took over and proceeded to dispense with the formalities of the forensic process. He put aside the fustian qualities of the law courts and, as one commentator put it, donned the judicial cloth-cap.

Downturn in whisky exports

EXPORTS of Scotch whisky suffered a set-back in October compared with the same month last year, according to Overseas Trade statistics just published. But in the first 10 months of the year exports were up 18 per cent. in volume and 19 per cent. in value compared with the same period of 1972.

October 1973 shipments were down 13 per cent. against October 1972 in volume to 7,654m. proof gallons for the four main categories exported—blends and single malts in bottle and in bulk. Their value fell 13.9 per cent. to £26.31m.

Bottled blends remained the backbone of the trade, even if they did fall 14 per cent. in volume and 15 per cent. in value in October to 5.645m. gallons worth £22.471m. Blends shipped overseas in bulk fell 7 per cent. in volume to 1.402m. gallons but realised the same value—£2.544m. Malt whiskies shipped in bulk for mixing overseas were down 18 per cent. in volume to 559,000 gallons and 22 per cent. in value to £952,000.

For the first 10 months of the year, the running total of 61,996m. gallons worth £205.812m. was up a splendid 18 per cent. in volume and 19 per cent. in value against the same months of last year. This is the first time Scotch exports have passed the £200m. mark in 10 months.

Malt whisky shipped in bulk made the largest percentage advance at 4,931m. gallons worth £8.97m.—ahead of last year's figures by 60 per cent. in volume and 65 per cent. in value. Bottled blends ranked next and advanced by 16.9 per cent. in volume and 17.8 per cent. in value being worth £172,416m. Blends shipped in bulk improved 13 per cent. in volume and 17 per cent. in value during the period to a total worth of £22.475m. Bottled malts were up only 10 per cent. in volume but value rose by 30 per cent. to £1,951m.

INTERIM STATEMENT

MARCHWIEL HOLDINGS LIMITED

INTERIM STATEMENT

in respect of the year ended 31st October, 1973

The Directors of Marchwiel Holdings Limited announce the declaration of an interim dividend of 0.4375p per share on the enlarged capital, equivalent to the 5% gross paid last year. This will be payable on 4th January, 1974, to Ordinary Shareholders on the Register at close of business on 7th December, 1973, in respect of the financial year ended 31st October, 1973.

Results for the six months to 30th April, 1973, are given below. The basis of providing for depreciation was changed for last year's final accounts and the comparative reported results for the first six months of 1972 have been adjusted to the revised basis which has continued in the current year.

Turnover has again been at record levels and there will be a substantial increase for the whole year. Margins have, however, been affected by continuing inflation and will not be as high as last year, while shortages of skilled labour and materials have also become significant factors. Nevertheless the Directors are confident that the full year's profits will show progress.

The order book remains strong but it is not possible to predict the outcome for next year in the current economic climate. It is hoped that the situation will be more settled by next Spring in time for a more realistic assessment to be made for the Annual General Meeting. In the meantime, the Company is in a strong liquid position and well prepared to meet the future.

	Net profits before tax	Net profits after tax
	£000's	£000's
Estimated Profits for the 6 months to 30th April, 1973 ...	2,336	1,266
Estimated Profits for the 6 months to 30th April, 1972—As reported ...	1,431	856
Adjusted for the change in depreciation policy ...	2,046	1,225
Audited Profits for the year ended 31st October, 1972 ...	5,771	3,463

CRADLEY PRINTING CO. LTD.

Salient points from the statement by D. Jordan (Chairman): Pre-tax profits increased by £18,456 to £103,966. Net dividend 7.7%.

At the time of writing the Group as a whole is extremely busy but the printing industry is suffering from a serious shortage of paper and other materials, which, coupled with a very acute shortage of skilled labour, is obviously creating production problems. We can only hope that these will be short-lived and that I shall be able to say next year that we have continued with similar progress to that achieved in the past.

D. Jordan (Chairman).

BUSINESS OPPORTUNITIES

CORPORATION LOANS

RESTAURANTS

CONFERENCE HOTELS

COMPANY NOTICES

CARCLO ENGINEERING GROUP LIMITED

STANHOPE TRANSATLANTIC FUND S.A. — In Voluntary Liquidation — NOTICE TO SHAREHOLDERS

THE BATH AND PORTLAND GROUP LIMITED

NOTICE IS HEREBY GIVEN that interest on the 6¼% Debenture Stock 1985/90 due for payment on 31st December, 1973 will be paid to stockholders registered at the close of business on Friday 7th December, 1973.

G. P. P. HART, Secretary.
The Bath and Portland Group, Limited.
P.O. Box 46.
BATH BA1 1LX

CINEMAS (Cont.)

ART GALLERIES

CLUBS

PERSONAL

BP plant shutdown makes plastics shortage worse

BY RAY DAFTER

HE CONTINUED shutdown of P Chemical's Baglan Bay petrochemical complex—one of the main chemical centres in the U.K. —is aggravating a serious supply situation.

Users of chemicals, in particular those requiring plastics like PVC and polystyrene are becoming increasingly concerned that the shortages will become critical in some sectors.

PVC is used for building components, footwear and records, while polystyrene is a big factor in the packaging industry.

Baglan Bay, which has just been expanded at a cost of about £25m., has been closed for a fortnight because of an industrial dispute and looks like remaining shutdown for another week at least. Throughout this year, however, supplies of important chemical and plastics materials have been seriously reduced because of the fire in February which damaged the new ethylene plant.

The general conclusion in the chemical industry over the week-end was that the Baglan Bay difficulties would make a bad situation worse. For over the year there have been other production difficulties—at ICI, for example—as well as feedstock constraints. The oil cut-back has added to the feedstock worries.

Both the chemical and plastics industries have repeated that the Government's price restrictions have hampered progress, not only by reducing the incentive to build badly-needed new plant but also by syphoning off materials to higher priced export markets.

Prices of chemicals on the Continent are about 30 per cent. higher than in the U.K. In many cases—such as benzene—the difference is much greater.

While higher exports are considered desirable in the industry, there is concern, particularly among downstream plastics processers, that the home market is being squeezed at the expense of more profitable overseas sales.

One survey, published in September, before the oil cutbacks and the Baglan Bay closure, suggested that, even then, users of plastics would not receive their orders in full by the end of the year.

The overall shortage then was expected to average about 15 per cent. The supply of polystyrene was expected to be 25.4 per cent. below demand and PVC and phenolic down by 20 per cent.

The major suppliers of materials—ICI, BP Chemicals and Shell Chemicals—say that they are continuing to supply home customers on as fair a basis as possible and that they are not "cashing in" on the higher priced export markets.

BP said that in the first nine months of 1973 it had exported between 20 and 25 per cent. of its output, 3 per cent. more than last year.

Trade figures show that overall both exports and imports of chemicals have risen by a large margin this year. There is evidence that some U.K. exports are being imported back to Britain to overcome the domestic shortages.

In July, £106m.-worth of chemicals was exported as against £77.2m. last year. There was a similar trend in August—£109m. (£48.3m.)—and September £97.2m. (£78m.). The corresponding import figures were: July—£77.1m. (£49.7m.), August—£78.6m. (£43m.), and September—£78.1m. (£55.9m.).

In the U.S., the growing gap between world prices and frozen domestic prices, is seen as a major reason behind increasing exports. Here again, the rate of exports is intensifying the shortage of materials.

House-builders are facing threat of severe recession

BY LORNE BARLING

HE house-building industry faces an extremely severe recession unless early action is taken to stimulate the demand for housing, the annual report of the Council of the House-Builders' Federation has warned.

The Federation said yesterday that the strongest representations had been made to the Government to deal with the present difficulties.

"Ministers are studying carefully the points made to them and the Federation is losing no opportunity to urge on the Government that the period of study should be as brief as possible.

"There can be no doubt that failure by the Government to take immediate steps to stimulate demand will lead to a disastrous fall in housing starts and completions in 1974," the Federation stated.

The report recalls that the year 1973 opened with about 230,000 private houses under construction, the highest total for more than a decade, and the early months of the year saw activity continue at the high levels recorded in 1972.

As the year progressed, output gradually declined and by the third quarter of the year the seasonally adjusted totals of both private starts and completions were respectively 7 and 6 per cent. lower than in the corresponding period of 1972.

The report also says that although house prices continued to rise in the first part of 1973, the latter half of the year had shown a very different picture with prices stabilising or falling in many cases.

The level of land prices over the whole year would almost certainly prove higher than that in 1972. The cost of home ownership had risen very considerably over the year as a result of the extremely sharp increases in mortgage interest rates.

Coupled with the poor level of inflow into building society funds, high mortgage rates have been largely responsible for the present bad state of trade.

Ministerial changes

Mr. Norman St. John-Stevas

Lord Windlesham

THE FULL list of Ministerial changes is given below, with their salaries in brackets.

Secretary for Employment (£13,000) MR. WILLIAM WHITELAW (55).

Secretary for Northern Ireland (£13,000) MR. FRANCIS PYM (51).

Paymaster General (£13,000) MR. MAURICE MACMILLAN (52).

Parliamentary Secretary, Treasury (Chief Whip) (£9,500) MR. HUMPHREY ATKINS (51).

Minister of State, Education and Science (£7,500) MR. NORMAN ST. JOHN-STEVAS (44).

Under-Secretary, Education and Science (£5,500) MR. TIMOTHY RAISON (44).

HER MAJESTY'S HOUSEHOLD

Treasurer (Deputy Chief Whip) (£5,000) MR. BRUCE WEATHERILL (53).

Comptroller (£4,000) MR. WALTER CLEGG (53).

Vice-Chamberlain of the Household (£4,000) MR. PAUL HAWKINS (51).

Lord Commissioner (Whip) (£4,000) MR. JOHN FOX (46).

Mr. Atkins becomes a Privy Councillor. Mr. Macmillan remains a member of the Cabinet.

Lord Windlesham, Leader of the Lords and Lord Privy Seal, has been given responsibility for overall supervision of Government information activities.

Lord Eccles, who has resigned as Paymaster General, has been appointed chairman of the British Library Board.

●NEWS ANALYSIS—UNILEVER

Kennedy's: a first step

BY MARGARET REID

AN £11m. takeover move such as Unilever's agreed bid for Kennedy's (Builders' Merchants) would, for most companies, be large enough to achieve a major objective.

Unilever, however, the Anglo-Dutch foods, fats and detergents combine, which, with nearly £4,000m. sales yearly, ranks as one of the world's largest groups, is no ordinary concern.

When it moves in a new direction, it does so on a large scale, and it is no secret that its offer for Kennedy's marks the start, not the completion, of its ambitions in the U.K. field of builders' merchants.

Kennedy's—with a £10m. turnover—accounts for only 2 per cent. of this industry, which has total annual sales of about £500m. and is concentrated mainly in the South and South-West of England. An ultimate stake of this size would be unlikely to satisfy a group of Unilever's dimensions.

It would therefore be surprising if Unilever, which lately failed to win Ellis & Everard, did not in time look round for other builders' merchants—just as it has been working through a "shopping list" of vehicle distributors, with such purchases as Robert B. Massey, Ford & Slater and Gorden Armstrong.

Africa

This situation is not only of interest to the builders' merchants industry and its shareholders, but also illustrates Unilever's expansion strategy in one significant sector of its wide-ranging activities outside the dominant food field.

The sector is UAC International—the former United Africa Company—under whose wing Kennedy's would come—and the philosophy can be summed up as "geographical diversification on the basis of existing expertise."

UAC—with £401m. sales out of Unilever's £3,545m. 1972 total, compared with £1,869m. for food and £825m. for detergents—has until now operated mainly in Africa, in builders' merchanting, office equipment, textiles and motor trading.

Now, however, that "the opportunities for expansion in the African countries are limited," as Mr. David Orr, vice-chairman of Unilever Ltd., put it recently, "we have agreed that the company can extend its operations to other parts of the world."

This is diversification with a difference in that no new ground is being broken with new products, as would have happened had Unilever succeeded in its 1968 bid for Smith and Nephew, the "Elastoplast," "Nivea" and sanitary towels group.

Fragmented

The idea is rather to project certain existing UAC activities—including service ones—from Africa back largely to Europe. In this way, present skills can be more extensively applied and some existing management, which will not be wanted in Africa in the long-term, effectively re-deployed. More U.K. income is welcome for tax reasons, but the group's tax position is not such that tax is a major motive here.

Britain has so far appeared the chosen area for this expansion — some 13 per cent. of UAC turnover is now in the U.K. The selected activities are vehicle distribution — where more than £10m. has been spent on acquisitions this year — office equipment — purchases include the Leicester and Hunts concerns — and now builders' merchants.

In seeking to extend its builders' merchants business — which has £50m. yearly sales in Africa — into Britain, UAC is looking at an industry which is still fragmented, though lately much regrouped.

Among the largest concerns, UBM Group and Thomas Tilling's have been active bidders, the latter more recently with its offer for F. J. Reeves. Other takeovers of recent years have brought Hall and Ham River into Ready Mixed Concrete and placed J. H. Sankey and Son under the National Coal Board.

The result has been a marked reduction in the number of sizeable independents in an industry which, despite cyclical fluctuations, has proved through its service to housing and construction to have the appeal of long-term growth.

Lesson

The choice open to a bidder is thus limited, unless he is ready to shop among the smaller, often private, concerns, and his course may not always be quick.

Two months of talks preceded Unilever's 220p a share cash bid, with Board backing, for Kennedy's, which had not long before considered another link.

The price, at 92p above the pre-offer market level, looks high, as was to be expected with a purchase seen as an "entry fee" to an industry. The signs, though, are that it was no more generous than the abortive bid for Ellis and Everard, another medium-sized concern.

Unilever is saying little about its intentions over the one-third stake it holds in E. and E. as a legacy of that battle. It failed to win Board backing then and learned the lesson for the Kennedy's bid.

Despite its financial muscle—end-1972 liquidity was £200m.—Unilever has not had an entirely trouble-free course as a bidder. Apart from the E. and E. rebuff, and the failure to win Smith and Nephew, its plan to absorb Allied Breweries was dropped despite an ultimate Monopolies Commission clearance.

Board agreement to the Kennedy's offer—though with plentiful precedents in other bid precedents—may be a favourable omen now. Moreover, since Unilever's bid for E. and E. was not referred to the Monopolies Commission, its present move for a 2 per cent. foothold in a new market may not run too great a risk of falling foul of official merger policies.

Increased profits can stop steel shortages, says CBI chief

BY LORNE BARLING

STEEL SHORTAGES can best be avoided by increased profits brought about by greater efficiency and avoiding pricing policies which inhibit investment, according to Mr. Campbell Adamson, director-general of the Confederation of British Industry.

Examining various ways of combating the problems created by trade cycles, he said there were five theoretical methods of dealing with a sudden demand. These were to bring on stream reserve capacity, to reduce exports, to increase imports, to hold greater stocks and to allocate existing supplies more efficiently.

In an article in British Steel, the quarterly BSC review, Mr. Campbell Adamson said the fundamental difficulty facing steel production and marketing was that the demand varied by about 20 per cent. between the top and bottom of the cycle.

What was particularly worrying, he said, was evidence that the cycle may be becoming more marked, with the speed of change between surplus and shortage becoming more and more rapid.

A possible reason for this problem was the interdependence of Western economies, which were now moving quite often in the same direction at the same time.

"It is also true that manufacturers now look much more critically at their stock holdings. High interest rates must encourage them to reduce these stocks and risk future shortages," he said.

He said there were conflicting arguments about whether BSC's investment programme was either too ambitious or not ambitious enough, but, whatever, the case, it should be implemented with all possible speed.

"Misguided decisions must not be induced by short-run political considerations. By the mid-1970s the BSC must be generating the profits necessary to finance a substantial portion of future development," he said.

Mr. Campbell Adamson said that in the short term reducing prices by Government decree must artificially increase demand and so create shortages. In the medium term, artificially depressed prices would reduce investment and so the industry's ability to meet future demand.

Farm machinery export record

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

EXPORTS of agricultural engineering products reached a new record of £293m. in the first 9 months of this year — an increase of 23 per cent. on the same period last year. At the same time, imports at £76m. showed an increase of 64 per cent. Overall the favourable trade balance in this sector at £216m. is 12 per cent. better than last year's performance.

These statistics were disclosed at Earl's Court, London, at the preview of the Royal Smithfield Show which opens to-day by Mr. Jim Wilder, president of the Agricultural Engineers' Association.

According to Mr. Wilder, there is a world-wide increase in demand for agricultural machinery, and as British manufacturers have always exported about 70 per cent. of their output it was to be expected that the increase in demand from farmers would be satisfied partly from foreign sources. At the same time farmers, who are benefiting from much higher returns on their produce in the last two years, were expected to do some substantial re-equipment.

Nevertheless, farmers who will visit the show this week feel rather sour to say the least of it at the very high prices and delayed delivery dates which characterise many of the machines on view. They feel that they should have first place in the U.K. machinery market.

As an indication of the boom in farm machinery the Royal Smithfield Club has had to turn down a number of exhibitors and refuse the regulars an increase in the stand space for which they had been asking.

Livestock entries have reached a new record. While cattle and sheep entries are marginally down, those for pigs are higher.

A significant feature of the crossbred classes which usually provide the championships is the predominance of foreign breeds among the sires. Of the 224 exhibited no fewer than 123 are by imported sires of which the Charolais with 95 has the lion's share. The Aberdeen Angus which used to be paramount still leads the British sires with 74.

Far East shipping line forms U.K. subsidiary

BY JAMES McDONALD, SHIPPING CORRESPONDENT

IN A MOVE to develop its growing trade between the Far East and Europe, Orient Overseas Container Line (OOCL)—part of the C.Y. Tung shipping group—has formed its own subsidiary based in London.

Named Orient Overseas Shipping Agencies (U.K.), it is already handling all general agency work for the container line and, from December 1, took over sales and customer service responsibility throughout Europe from Mundy Overseas Agencies.

A company spokesman said: "This arrangement gives OOCL direct control and responsibility for the British and EEC markets, excluding agents in Spain, Portugal, Norway, Sweden, Finland and the rest of Europe.

"Our trade with Europe is already worth some U.S. $25m. a year in freight revenues. We have been sailing to capacity since we introduced a direct service to the U.K.—using Felixstowe as the sole British port of call."

OOCL operates six containerships, with a total capacity of ,000 "boxes" a year, operating to and from the Far East every days and returning via four major Continental ports.

Recently Mr. C. Y. Tung bought a one-third share in the Dart containerline, operating in the North Atlantic.

Big rise in betting duty

By Michael Thompson-Noel

FIGURES RELEASED by Customs and Excise yesterday reveal further substantial increases in the betting and gaming duties paid in October over the same month last year.

The total general betting duty amounted to £8.6m., compared with £7.1m. Off-course bookmakers paid £7.8m., an increase of £1.5m.; the horse-racing Tote paid £113,000, compared with £95,000, and greyhound racing Tote operators paid £201,000—an increase of £13,000 over October, 1972.

The football pools companies paid £6.4m. in October, a rise of £0.5m. Gaming machine licence duties brought in £2.3m. (£2.1m.), while bingo operators paid £516,000 compared with £355,000 a year ago.

Overall, total betting and gaming duties, which in financial 1972-73 amounted to £171.4m., aggregated £18.2m. in October compared with £15.7m. in October, 1972.

Keel for giant natural gas tanker laid

By James McDonald, Shipping Correspondent

THE KEEL for the largest liquefied natural gas tanker ever built in the U.S. was laid at the week-end in the Quincy, Massachusetts, shipyard of General Dynamics. The vessel of 125,000 cubic metres will be used by Burmah Oil Tankers.

With a length of 936 feet, the ship is the first of seven being built by General Dynamics under contracts worth $650m. for the transport by Burmah Oil Tankers of LNG.

Burmah Oil Tankers will use the first three LNG carriers to transport gas from Algeria to the U.S. East coast under a contract with Eascogas LNG Inc.—a subsidiary of Public Service Electric and Gas Co., of New Jersey, and Algonquin Gas Transmission Company, of Boston.

The remaining four ships will be used by Burmah to carry LNG from Indonesia to Japan under a contract with Pertamina, Indonesia's State-owned oil and gas company.

The first three ships will be built for Cryogenic Energy Transport Inc., LNG Transport Inc., and Liquidgas Transport Inc. All seven ships will be chartered to Burmah Oil Tankers—a subsidiary of Burmah Oil Company.

OVERSEAS NEWS

NATO faces rift over support costs

BY PAUL LEWIS

WASHINGTON, Dec. 2.

THE ATLANTIC Alliance faces fresh strain over the cost of maintaining U.S. troops in Europe, according to a report by the Senate Foreign Relations Committee published this week-end, only a few days before Dr. Kissinger visits Europe to review the state of the Alliance.

The report predicts that the European allies are unlikely to make any further contribution towards the balance of payments cost of between $600m. and $1,400m. which the U.S. faces this year as the price of maintaining its European garrisons, even though the administration is now legally bound to bring the accounts into balance or reduce its forces there.

Dr. Kissinger is leaving for Europe on December 8 to attend the NATO Ministerial meeting in Brussels and see British leaders in London afterwards. During this visit he is expected to make a determined effort to draw the lessons of the NATO dispute over the Middle East and seek European support for a new drive to put Atlantic relations back on a sound footing.

However, the Europeans are wondering whether this will lead to any practical concessions on the American side towards just such detailed matters as military offset, on which the two sides now have a clearly different approach.

Dr. Kissinger's European visit will also result in a review of American plans to help the Dutch with the energy shortage, in recognition of their role as the only alliance country that supported the U.S. position on the Middle East. The Washington Post claims to-day that the U.S. is ready to supply Holland with oil if it cannot obtain its minimum needs, although at the moment supplies are adequate and it could probably press other Europeans to continue providing these surreptitiously by threatening to reduce natural gas exports.

On the NATO front, the Defence Secretary, Dr. Schlesinger, gave a foretaste last Friday of what is in store for the Europeans next week when he called on them to make a bigger contribution towards the collective security of the West and at the same time announced some reduction in U.S. forces in Europe and elsewhere. Although very small in size, these cuts are liable to be seen as further evidence of America's growing impatience with Europe at a time when political relations are strained.

Treasury in impasse

BY ADRIAN DICKS

WASHINGTON, Dec. 2.

THE U.S. Treasury has been illegally borrowing $62,000m. since last Friday night, when a temporary debt ceiling law setting the upper limit at $465,000m. expired, and the permanent statutory ceiling reverted to $400,000m. Mr. George Shultz, the Treasury Secretary, has had to order a stop to the sale of some Government securities as a result.

This extraordinary situation has come about because a group of conservative Senators led by Senator James Allen of Alabama are blocking the fixing of a new ceiling of $475,700m. in order to frustrate an amendment that provides for public financing of presidential election campaigns.

So far their attempts to delete the amendment from the Debt Ceiling Bill have run into equally stiff opposition from the liberals backing it, but in rare Saturday and Sunday sessions of the Senate, the liberals twice failed to vote an end to Senator Allen's filibuster.

Ministers begin talks on new EEC policy package

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Dec. 2.

THE COMMON MARKET to-morrow begins three hectic weeks of ministerial negotiations aimed at hammering out the details of a "Christmas package" of new Community policy measures before the end of the year.

This Monday and Tuesday the Nine's Foreign and Finance Ministers will be holding a series of council sessions in Brussels, interspersed with private meetings, in a bid to reach as much agreement as possible on the main issues facing the Common Market before the nine-nation Copenhagen summit conference on December 14-15.

They will be followed, inside the next ten days, by ministers of industry, science, social and budgetary affairs, as the Nine try to meet all the various end-December deadlines set by the last Community summit in Paris just over 13 months ago. For good measure, Mr. Edward Heath, the Prime Minister, will also be in Brussels to-morrow to make a "European" speech at the opening ceremony of a foundation in honour of Paul-Henri Spaak.

Although it is not officially on the agenda, the energy crisis will without doubt also be discussed by the Foreign Ministers here this week. Apart from the tensions that the Arab oil cutback is generating between the Netherlands and other countries like France and Britain, the overall economic and political effects of the crisis are now looming large as one of the main issues for the summit meeting.

The Foreign Ministers, and probably also the Finance Ministers, are due to meet again in Brussels on December 17-18, immediately after the Copenhagen summit, to put the finishing touches to the package deal.

To-morrow, the Foreign Ministers start with a number of outstanding external relations problems, such as future links with Mediterranean countries and the community's generalised preference scheme for 1974, before turning to the Nine's planned new regional policy on Tuesday morning. The regional policy, of cardinal importance to the U.K., is likely to be one of the most difficult of all the issues that have to be resolved in the next few weeks.

The shorter term effects of the oil shortage will also figure prominently in the discussions of the Finance Ministers, who ... have before them a new se... proposals from the Brussels C... mission for joint comm... action against inflation. ... Commission is calling ... restrictive policies, for restr... in wage and price demands ... curb inflationary pres... caused by the fuel crisis.

But the main item on ... Finance Ministers' agenda is ... next step towards economic ... monetary union, due to be t... on January 1. There is gen... agreement that the Comm... should proceed beyond the ... rent Stage One of economic ... monetary union at the end of ... year, but it is still not c... what the next stage will inv... in practice.

Dutch press for solidarity

BY MICHAEL VAN OS

AMSTERDAM, Dec. ...

SPECULATION that Holland may indeed be prepared to block progress during the coming EEC summit in Copenhagen and possibly at other occasions unless it receives satisfactory evidence of badly needed EEC solidarity in the present oil crisis was fuelled by Dutch Premier Joop den Uyl himself over the week-end.

In a dramatic nationwide TV and radio broadcast setting out Holland's energy problems and explaining how toughly the Government intended to tackle them, the Premier lay a direct link between the need for EEC solidarity and Dutch employment.

The Government intended to push through as soon as possible sweeping new measures to control prices and all wages ... incomes and was preparing ... number of additional measu... to curb private energy consu... tion. These would include ... essential use of electricity an... distribution of all oil prod... —not just petrol as announ... on Friday.

Against a background of st... ments last week by top Du... economists and leading gov... ment officials forecasting a ... sible doubling of the unem... ment figure to 6 per cent. by ... next year as a result of the ... crisis, Mr. den Uyl said ... whether the energy measu... will succeed in preventing ... increase in unemployment is ... within Holland's power al... "Now it should become clea... he said, "what the Europ... Community is worth."

Greek newspaper closed down

BY OUR OWN CORRESPONDENT

ATHENS, Dec. 2.

GREEK military authorities to-day closed down the national daily "Vradyni," apparently for having contravened martial law provisions.

Athens military police officials early to-day evicted everybody in the building and sealed its entrance. They gave no reason for their move.

A spokesman for the newspaper said it was doubtful Vradyni would be allowed to publish for some time.

Under martial law provisions, statements against the Government as well as incitement to anti-government activity is banned. Martial law also forbids the publication of any news likely to cause despondency or fear among the population or undermine law and order or the authority of the Government.

In recent years, the Right-wing conservative Vradyni has defied economic sanctions by strongly opposing the regime of ousted President George Papadopoulos.

The new Government faces a major test to-morrow when universities reopen. A sta... ment by the Ministry of Edu... tion said that the decision ... open the universities reflec... the Government's confidence th... law and order had been restor...

Tighter 1974 budget

BY OUR OWN CORRESPONDENT

ATHENS, Dec. 2.

THE GREEK Government will spend Dr.18,000m. ($600m.) in State investments in 1974, about 36 per cent. less than 1973.

Presenting the 1974 budget last Saturday, The Under-Secretary of Finance, Mr. George Dimakopoulos, said it was drawn up with a spirit of austerity to ensure a satisfactory rate of development without creating inflationary pressures as a result of public expenditu... and consumer demand.

Mr. Dimakopoulos said to... revenue from domestic source... in 1974 was estimated ... Dr.92,500m. ($3,083m.). Expend... ture was estimated at Dr.99,000m. ($3,300m.). To cover ... deficit, Mr. Dimakopoulos ... the Government will resort to foreign loans for Dr.6,500m. ($217m.).

Spain curbs wages, prices

BY ROGER MATTHEWS

MADRID, Dec. 2.

THE SPANISH Government yesterday published its long-awaited plan for dealing with the country's severe inflation problem. Predictably, the administration is going to try to control a wide range of prices while at the same time it is aiming to set a ceiling on wage increases. No action has been proposed on interest rates.

The rate of inflation, as measured by the official cost of living index, reached 12.25 per cent. at the end of October and is expected to top 15 per cent. for the year.

During the past three months, it has been running at the alarming annual rate of 20 per cent. Just over 80 key products have either been frozen at their current prices or have had a maximum price established. These range from milk, sugar and butter to cars, tractors, steel products, gas, electricity and newspapers. Tough penalties are threatened for infringements.

A second list of nearly 50 items, among them a large number of food products, will be subject to a special Government watch and will be allowed to move only within pre-determin... levels. A special Prices Board ... being set up to supervise th... new measures which are due ... remain in force until Decemb... 31, 1974.

Trouble is already being fo... cast by labour experts over th... Government's plan to contro... wages. According to yesterda... decree, new collective wag... agreements must not exceed th... increase in the cost of livin... index since the last agreeme... was signed, which could mea... that no worker can expect a ri... in real wages for the next ... months.

Bonn-Prague ties likely soon

BY JONATHAN CARR

BONN, Dec. 2.

THERE were increasing signs here this week-end that West Germany will establish diplomatic ties with Czechoslovakia this month—without obtaining full satisfaction over its demands for full representation of West Berlin.

Informed sources said it was likely that Chancellor Willy Brandt and Foreign Minister Walter Scheel will make their long-delayed visit to Prague for the signing of a treaty normalising relations.

So far no date has officially been announced. But it is suggested that the heavy programme already arranged for both leaders makes December 11 and 12 the most likely time for the trip.

The normalisation pact was initialled last June and Herr Brandt was to have gone to Prague in September for the signature, after which diplomatic ties would follow at once. But differences arose over Bonn's claim that under the four-power Berlin accord it is entitled to provide legal aid for West Berlin institutions through its consular services in Czechoslovakia and other Eastern European countries.

The deadlock persisted—until Herr Scheel visited Moscow last month where it was agreed West Germany and the Soviet Union would seek a compromise formula on the Berlin question. The most likely outcome would be that West Berlin courts would be able to apply directly to Soviet courts on legal aid matters.

Bonn believed that with the way to a solution opened ... Moscow, the problem wi... Prague too would be quickl... resolved. The discussions bega... again—and again reached dead... lock, apparently because the ... Czechoslovaks wish to be certai... of the course the Soviet Unio... will finally adopt before committing themselves.

Bonn is now thought willing to sign the treaty in the expectation that both Moscow and Prague will finally agree to a reasonable settlement. This decision seems bound to awaken more strong criticicsm from the Bonn opposition, which has repeatedly attacked what it feels to be the Government's inept handling of negotiations with the East.

The Executive's World: The Office

EDITED BY JOHN TRAFFORD

Making people work

BY DOINA THOMAS

OST people actually only a three day week," observes ld Penfold of consultants mpson Scheduling. "basically t we try to do is to get them work four days a week." ton Jenkins of Binder ilyn Fry, also consultants es, "people work at their speed, clerical work surement merely finds the time and uses it."

he field of clerical work surement is well sown with ultants. The grand-daddy of n all is probably W. D. Scott r its programme of ical work improvement. The est one can get to a defini- of a "clerk" is Burton kins'—"people involved in essing information." Most ultants are quite clear what y hope to offer clients ugh CWM—a reduction in ical costs, either by decreas- the number employed or by roving the productivity.

hompson Scheduling puts its where its claims lie. After initial study, it gives the nt an estimate of potential ngs or increased produc- y and its fee. "The fee is reduced by the margin of error in our forecasts." ugh Jenkins of Binder alyn Fry does not offer the e, he does reckon that clients ald be able to pay the con- ants out of the resulting ngs.

ficiency

very CWM exercise, accord- to Jenkins, is looking for things, effectiveness and ciency, from the staff under ntiny. While almost every sultant offers some form of M, they would all deplore application of standard blem-solving packages. Most them tend to stick to the terns they know best.

There are two ways of achiev- the desired objectives," com- nts Jenkins, "first one must ke sure that the systems are ective and second that people e a job to do." Penfold puts much the same way under the brella title of Master Activity gramming which itself falls two parts. The first part is igned to reduce administra- costs, either by reducing ting staff or making more cient use of them. The second in the attempt to improve ervisory management which in itself will help improve effici- ency. And both consultants agree that there should be some built-in factor to prevent the client from sliding back into old habits.

"What one has to do is to provide an objective means for determining the necessary amount of staff for any opera- tion," Penfold says. This means finding ways of identifying clerical output "which mostly has to be done by visible fac- tors." (Ways of measuring pro- ductive brainwork have yet to be invented.) Once these visible indicators of productivity have been identified, average targets for time taken and standard of work are set and, hopefully, adhered to.

Jenkins stresses the import- ance of using the client's clerical staff, "the consultant should train and then guide the staff who will do the technical work." A recent client of Thompson Scheduling, the Halifax Building Society, which employs some 6,000 people at an annual cost of £6m., has done just this. Now that its own staff are trained it can implement CWM pro- grammes at will or need. "It is very important from the con- fidence point of view that the management is seen to be in charge," Jenkins comments.

The real problem with clerical work is that people have tried to approach it on the same basis as flow line assembly. Mostly the work requires some degree of involvement on the part of the clerk and a certain flexibility of attitude on the part of both him and his supervisor. "One should always ask the people involved for their ideas," observes Jenkins, "and encour- age them to take their difficulties to a supervisor."

After receiving the £3,000 report from Thompson Schedul- ing, the Halifax decided not to implement the job controls re- commended but to use them for spot checks. It was felt to be a more "adult" way of treating the clerical staff. This attitude, that staff are adult, which is reflected in the increased popu- larity of flexible working hours, will strongly influence the clerical work measurement field. It means that clerks can no longer be treated as automatons in human guise and in the re- appraisal process may enrich both the jobs of clerks and the contribution of consultants.

Pictures can keep you in touch

BY JOHN CHITTOCK,

TECHNOLOGY HAS a curious habit of coming up with new ideas just when the world is needing them. To-day, companies face a growing problem in provid- ing faster inter-office communica- tion over a wide geographical area, not necessarily confined to one country.

While video telephones have not really caught on even in the U.S., videocassettes (a more recent innovation) are already being used by many companies for their network of offices or dealers. Admittedly, the cassettes have to be sent by post or moved by other conventional means and this slows down the communica- tion process. But the advantages are substantial nonetheless.

The videocassette is a simple way of packaging videotape for recording and replay, especially on equipment designed for the lay-user. Every office can be equipped with a colour TV receiver and a videocassette machine through which visual material can be viewed as con- veniently as turning it up in a filing cabinet. The idea goes further than closed circuit TV which is limited by the avail- ability and cost of lines and the economic need to supply every- one on the circuit with the same information simultaneously. The videocassette is selective—or it enables the users to be selective —in subject-matter and time of viewing. It is also much cheaper: a colour unit for one office com- plete with TV receiver can cost under £700.

In the U.S. the Sony U-Matic was the first videotape machine to be marketed with industrial users in mind. Ford has bought 4,000 Sony units, notably to establish a communications net- work with dealers. In the U.K., Chrysler is using the Philips VCR videocassette machine for its dealer network.

The attraction of such net- works is the chance to operate point-of-sale and training pro- grammes. Policy and company news is also distributed through some of networks.

In the U.K., Hambro Life Assurance is currently installing Sony U-Matics in about 45 offices together with 22-inch colour TV sets. A central studio has been equipped at its Park Lane offices, and great care has been taken in selecting an experienced pro- ducer to run the studio which will be originating programmes on sales training, recruitment and also company news— especially in the form of a regular newsreel.

Little choice

At present, there is not much choice available in videocassette equipment. For company net- works it is virtually a straight decision between the Philips VCR and the Sony U-Matic. The former is a little over £400, the U-Matic over £800. Hambro selected Sony because definition was considered important for documents with lettering and figures. The Philips VCR is popular as an office aid in advertising agencies, broadcast television companies, in fact anywhere where an executive may want to view—in his own office—specially produced TV material. Various services are offered or planned which will add a range of new facilities— model selection for fashion houses and advertising agencies, a TV news "cutting" service.

The technology brings another important advantage. Companies like Ford and IBM with signifi- cant North American activities have, in the past, been unable to send videotapes across the Atlantic because the U.S. system (NTSC) was incompatible with that in the U.K. (PAL). One Sony-U-Matic model now offers playback for cassettes recorded on the NTSC, PAL or even SECAM (French) systems. En- couraged by this, IBM in the U.K. is establishing a video- cassette network so that visual communication with the U.S. parent company will be rela- tively easy.

Another innovation likely to be available in the next 18 months may also have un- expected advantages in the office environment. This is the Philips video disc, called the VLP. It is a revolutionary form of TV player, using thin plastic discs like gramophone records, each capable of providing up to 45 minutes of colour programme. Since each second of a TV pro- gramme comprises 25 discrete frames, Philips has engineered the VLP so that any one still picture can be coded and re- called by a digital index device. Thus, in one 45 minute disc, a theoretical storage capacity of 67,500 colour pictures is provided —any one of which can be viewed as a colour still on a TV set.

The Philips video disc is capable of providing a 45 minute colour TV programme or storing data.

The implications of this are, of course, enormous. The cost of making a master plate from which copies of the disc are made has not yet been revealed by Philips. Certainly it is un- likely to be cheap enough for VLP to provide conventional off- the-shelf microfilm storage. But if the copy run is big enough (for a spare parts manual for a car) it could put into the office the most compact and efficient form of information retrieval. Demonstrations of this VLP frame retrieval facility have been impressive, and unlike ordinary microfiche, the pictures are in high quality colour. A TV screen will not offer great clarity of detail, however.

VLP should become commer- cially available in 1975, and a world-wide demonstration tour of the system will start early next year. Price of the video disc players will be about the same as a colour TV receiver.

Systems for the replay of recorded material, however efficient for circulating or storing information, still have one draw- back—their lack of immediacy. Commercial closed-circuit TV services that relay business information to subscribers over- come this problem—offering, in effect, live coverage of news, events, or market movements more or less as they happen. But such systems are one-way only —feeding information to the viewer and allowing no response.

Nevertheless, in the U.K. the Post Office has pioneered an interesting experiment in two- way TV, offering a commercial service to industry and com- merce under the name of Confravision. This is an inter- city service through which busi- ness conferences between head and/or branch offices can be held.

At present, Confravision TV studios exist in London, Bristol, Birmingham, Manchester and Glasgow. Any company can have an "internal" conference between two of these centres, even three in some circum- stances. The current cost of hiring the network is £180 per hour for distances exceeding 125 miles, £120 per hour under that distance. This can be quite a saving if the alternative of an executive's wasted travelling time is added to the cost of fares.

A similar service has just started in Australia between Melbourne and Sydney, and the U.K. Post Office have success- fully connected their own Confravision network by satellite to the Australian one. Plans to connect to similar networks in Europe are currently being examined, where certainly Sweden and Holland are likely to be offering two-way television for company users in their own countries.

Robert Sarnoff, chairman of RCA, summed up the prospects in a recent speech in London. "When managers may confer electronically even without leav- ing home, routine travel will become unnecessary. We will be able to communicate to work."

What to do when the lights go out

BY ROY LEVINE

HEN THE lights go out, do freeze into immobility, dash the door, or make a grab at r secretary? Power cuts are oming a way of life in Britain, very few offices appear to e made any preparations for m.

According to some estimates siderably under 10 per cent. all offices in the U.K. have ne form of emergency lighting ipment.

That omission could result in ious accidents if there is no ernative way of lighting a ilding during a power black- . Now that the emergency trictions have banned the use electricity for exit signs and er safety devices, it may be e to use an independent rce of electricity for certain ential services.

Although there is usually equate warning before power s, they can occur at anytime the day or night. Manage- nt has not even begun to nk about providing ancillary wer facilities to man office ipment and so avoid lost rs of work. More important, y seem to have ignored the d to provide elementary light- or even exit signs to help ff find their way out the ce during blackouts.

apid growth

Because the equipment costs ney and provides no financial returns, managers may be re- luctant to consider the problem, even though the equipment is not really expensive.

Curiously, neither the Fire Prevention Act 1971 nor the 1963 Shops, Offices and Railway Premises Act refers specific- ally to emergency lighting systems. Manufacturers of the equipment claim that the market has doubled over the past 12 months to over £3m. a year but the bulk of the new buying has come from hotels, restaurants and other places of public enter- tainment directly affected by the Fire Precaution Act 1971.

New offices

It may still take some years before offices are tackled but meanwhile the Act has provided a spur to builders of new office blocks to instal emergency light- ing. It is existing buildings that need attention and evidence so far suggests that proper equip- ment is only installed when buildings are renovated.

Basically, there are two kinds of equipment which you can instal in offices. The least expen- sive are single point units con- sisting of a battery and light fitting. Prices range from around £17 to £100 for each unit depend- ing on the size of light fitting and duration of lighting required. Normally, the duration lasts between one and three hours after which the battery needs to be recharged on the mains for between 14 and 72 hours.

These instruments should be adequate for a single power cut but if proper precaution is needed for successive cuts in a single day, central systems can be used and these cost several hundred pounds. More powerful batteries centrally located can power up to 300 light fittings around the office. In most cases, as with single point units, the lights automatically switch on when the mains fail. Cost savings accrue from the longer life cycles which go up to 35 years against five or six years for the single units which often have a high built-in obsolescence, too.

Another advantage of central systems is that, although the duration of use is a maximum of three hours, a booster can be attached which recharges the bat- teries quickly.

The major manufacturer in the U.K. is Chloride Bardic which claims to have about 52 per cent. of the market. Others include Ever Ready, Saft (U.K.) and King Lite. Chloride Bardic, which has 118 stockists supplying retailers and electrical contractors around the country, has recently reduced its advertising because the spurt in demand for its products this year has put pressure on production.

Standby

Once emergency lighting has been supplied office managers may like to consider the need for standby generating power to man office equipment. This area is less critical as far as safety is concerned and has received less attention from manufacturers. In fact, to provide really adequate power, advances in technology will be required first.

Generators presently on the market are perhaps too expensive to justify having in most office blocks although they might be essential for specialised functions like computers. Because most office machines like typewriters, electric calculators, copiers or duplicators are powered by alternating rather than direct current, a transistorised inverter will be needed for a direct current source of power. And these can cost between £75 and £100 each. If a large central system is used the cost can soar to £1,000. Until manufacturers can invent cheaper equipment, office staff will have to improvise when the lights go out. If the power cuts come in the late after- noon, it may mean early home- going. Alternatively, other work can be done that does not require power, like filing, improvised meetings or short-hand dictation —always provided, of course, that the supplementary lighting is adequate. The first priority, naturally, is to provide enough light to allow staff to find their way out safely and without panic.

OIL AND THE MIDDLE EAST

Arabs may alter attitude on use of Rotterdam

BY REGINALD DALE, COMMON MARKET CORRESPONDENT BRUSSELS, Dec. 2.

MR. BELAID ABDESSELAM, the Algerian Minister of Industry, to-day indicated that Arab countries might resume oil deliveries to Rotterdam, provided the supplies were immediately passed on to other European countries such as Germany and Belgium and not "diverted" to the Dutch market.

His remarks seemed to indicate a marked shift in the Arab position, which has previously been that other Common Market countries must use non-Dutch ports if they want to make good the loss of supplies previously shipped through Rotterdam.

Mr. Abdesselam made it clear in a TV interview, however, that the boycott of the Netherlands itself was no nearer being lifted. "Unfortunately," he said, no new element had emerged from his talks with Mr. Ruud Lubbers, the Dutch Minister of Economics, in Brussels yesterday.

Mr. Lubbers told journalists yesterday he was "not optimistic" that the embargo on the Netherlands would be ended in the near future, nor had this been his objective in his talks with the Arab oil envoy. He made it clear that the Dutch Government had turned down Arab requests that the Netherlands make a new unilateral declaration on the Middle East backing the Arab cause.

The Netherlands had supported the nine Common Market countries' joint Middle East declaration of November 6, and would not make a unilateral statement separately from its eight Community partners, he said.

Nevertheless, a resumption of Arab shipments to Rotterdam could be welcome to the Dutch, according to officials here, even if the oil was destined for other European countries. The Netherlands would then be free to concentrate on finding the smaller amounts needed for its own domestic market from other sources, and the continued functioning of the oil installations at Rotterdam would be at least partly assured.

The Dutch have been extremely concerned that a total boycott of the Netherlands would be used by other W. European ports, such as Le Havre, to establish themselves as major oil terminals at the expense of Rotterdam.

Mr. Abdesselam, who is president of the Organisation of Arab Petroleum Exporting Countries (OAPEC) said that the Arab countries would consider shipping oil via Rotterdam provided there were guarantees that it would not be re-routed on to the Dutch market. The problem was "more technical than political," he said.

There could well be difficulties, however, if the Arab countries were to insist on inspection procedures in Rotterdam to check that oil was not being channelled to the Netherlands. When the boycott of the Netherlands was first announced, the Dutch indicated that they could not accept such a system.

Nixon plans energy reshuffle

BY ADRIAN DICKS WASHINGTON, Dec. 2.

WITH THE energy crisis beginning to bite this week-end in a way that ordinary Americans can feel, President Nixon is preparing to announce to-morrow a major reshuffle of the officials and Government machinery responsible for energy policy.

Mr. William Simon, Deputy Secretary of the Treasury, is expected to be named head of a new Federal Energy Administration, which will take over the responsibilities now shared among half a dozen different offices and departments. As such he will replace as the President's chief energy adviser, Mr. John Love, the former Governor of Colorado, who has been criticised increasingly in recent weeks both for his over-optimistic forecasts and his failure to wield effective authority.

This week-end, for the first time since the President's announcement of his latest package of measures last Sunday, most filling stations were closed from early evening on Saturday. Drivers were virtually prevented from going far afield, although police were said to have some emergency supplies under their control, and the centres of large cities including New York and Washington were reported unusually quiet.

Mr. Simon's promotion appears to represent a major victory for the Treasury Department, and hence for the *laissez-faire* inclinations of Mr. George Shultz and others who favour allowing higher prices to help bring about lower energy consumption. By the same token it may be a sign that the anti-rationing faction, to which Mr. Nixon himself is still said to incline, has managed to win the day within the Administration.

Almost as significant as Mr. Simon's own appointment is that of his deputy, Mr. John Sawhill, who is the energy adviser in the White House Office of Management and Budget. The influence of this section of the President's staff is currently believed to be on the ascendant across a whole range of economic issues.

A cold and silent Sunday in Italy

BY ANTHONY ROBINSON ROME, Dec. 2.

THE SILENCE of a motorcar-free city has to be heard to be believed.

Rome to-day was such a city and so were all the other cities, villages and isolated communities in this thousand-mile-long peninsula which the motorcar and attendant autostradas and assorted paraphernalia have done so much to modernise and unify since the war.

It is upon this modern Italy that the virtually total ban on private transport fell to-day as a result of the partial Arab oil embargo, and the need to preserve foreign exchange, but also because of the inability of a bloated, inefficient Civil Service to organise a workable rationing system in a hurry.

How have Italians reacted? Well, as luck would have it, to-day was freezing cold all over the peninsula with snow in the north and over the mountains and freezing drizzle elsewhere. Cold, wet, but on the whole philosophical groups, huddled around bus stops for overcrowded buses and trams. In Rome, flag-waving Neopolitan football fans, who drove into Rome before midnight, made their way to the football stadium for the annual Rome-Naples football derby, hoping that a victorious match would buoy their enthusiasm until they could return home once the midnight transport curfew was over.

Syrian and Israeli forces in heaviest clash since truce

BY ROBERT GRAHAM TEL AVIV, Dec. 2.

ISRAELI and Syrian forces clashed to-day on the Golan front in the most serious incident since the October 22 ceasefire. According to a military spokesman, the Syrians used anti-tank missiles, tanks, mortars and artillery against Israeli positions in the Beit Jann area on the northern sector of the Golan.

The Israelis also used tanks and in the fighting which lasted sporadically for four hours, two Israeli soldiers were wounded. No reference was made to Syrian claims of having knocked out three tanks.

This area, which is just below Mount Herman, has seen almost daily exchanges of fire. Observers here believe the incident is a sign that Syria, like Egypt, is now escalating the war of nerves. More, though apparently not serious, incidents were reported to-day on the Syrian front while last night and again this morning there was firing from across the Lebanese border.

Against this background of heightened tension, diplomatic efforts continued to-day to resolve the deadlock over the talks between the Egyptians and Israelis at Kilometre 101 on a separation of forces. The Defence Minister, Gen. Moshe Dayan, met the UN emergency force commander, Gen. Ensio Siilasvuo, in Jerusalem. The meeting was said to have been useful and Gen. Dayan is understood to have stressed Israel's willingness to return to the talks and listen to Egyptian proposals.

Gen. Dayan will be leaving this week for the U.S. as part of a fund-raising call. But he will also meet with Dr. Kissinger, probably on Friday, and much importance is being attached to this encounter.

Egypt's stance hardens

BY WILLIAM DULLFORCE

ARAB attendance at the Middle East peace conference scheduled for December 18 depends upon Dr. Kissinger being able to persuade the Israeli Government that it must pull back its forces from the Cairo-Suez road. If not, there is now a distinct possibility that both Egypt and Syria will refuse to go to the peace conference. This in turn could easily lead to a resumption of the October war.

Egyptian officials say President Anwar Sadat will take his decision in a day or two. They indicate a genuine hardening in his attitude parallel with a growing suspicion here that Egypt is once more being tricked by the U.S. and Israel.

Yesterday Mr. Sadat called in both the new U.S. envoy Mr. Hermann Eilts, and the Soviet Ambassador, Mr. Vladimir Vinogradov. He told them Israel's refusal tc carry out UN resolutions was creating dangerous tension and had not created the right atmosphere for a peace conference.

Mr. Sadat told Mr. Eilts that continued U.S. military aid had been encouraging Israel "to ignore the lessons of the October war." Egyptian doubts of American intentions arise from the feeling that in the checkpoint talks Egypt has been induced to give far more than it has received. The ceasefire agreement has so far achieved an exchange of prisoners, Israel's main demand, and the opening of the Cairo-Suez road for non-military supplies to the encircled city of Suez and two Egyptian divisions cut off on the East Bank: but Egypt's main demand, withdrawal to the October 22 lines, has not been resolved.

Meanwhile, Egypt and Libya, who two months ago were planning to merge into one State, are apparently on the verge of a breakdown in relations. It was confirmed here to-day that the Libyan President, Col. Khedaffi, has recalled to Tripoli Mr. Mahmoud Bakkoush, the head of the Libyan Relations Office in Cairo.

● Ihsan Hijazi cables from Beirut: A sense of gloom about the chances of a Middle East peace has spread throughout the Arab world as a result of the breakdown of the ceasefire talks between Egypt and Israel.

Arab leaders and news commentators from here to Algiers have said Israel has no intention of giving up occupied Arab land and therefore another round of fighting may be inevitable. They all made the point that if Israel is not ready to pull its forces back a few kilometres from the Suez-Cairo road in order to stabilise the ceasefire, it can hardly be expected to evacuate the large parts of Arab territory occupied in 1967.

Ministers and industry review crisis effects this week

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

A MAJOR REVIEW of the effects of the oil crisis on the British economic situation is due to take place on Wednesday when leaders of both sides of industry will meet Ministers at the National Economic Development Council.

Both the National Economic Development Office and the Confederation of British Industry are preparing assessments of the effects on production, and Government departments have drawn up a number of contingency plans.

While several Western governments — including the U.S., Germany and Japan—have publicly acknowledged that their countries' growth rates will suffer severely in 1974 as a result of the oil crisis, British Government sources still maintain that the situation is too uncertain for firm forecasts.

Difficulties

The treasury's revised economic forecasts for 1974 will not be completed until later this month, and their preparation has been bedevilled, according to officials, by genuine difficulties in establishing the real oil supply position.

The National Institute of Economic and Social Research—whose forecasts for 1974 are due on Friday—has been criticised for being too pessimistic in its recent survey on the output effects of the oil situation (which indicated a 3½ per cent. drop in industrial production from a 10 per cent. oil cutback).

Some reports coming into the CBI tend to confirm the organisation's earlier view that industry might just be able to cope with a 10 per cent. cut in oil supplies, but the CBI is concerned about how the priority system will work.

A more immediate worry than the oil situation, according to the CBI, is the prospect that the British Steel Corporation may, in the interest of preserving its coking coal stocks, decide to cut steel production.

The National Institute complains that it is extremely difficult to draw up marginal energy/output co-efficients at present.

Looking beyond the next few months, however, there is a gathering consensus that the oil crisis it likely to impose severe constraints on the supply side. It is acknowledged that the recent rise in oil prices — and the near certainty of more to come — may exert a major deflationary impact on the U.K. economy in 1974.

The Treasury has for some time favoured raising oil taxes to promote a better balance between supply and demand in the economy as a whole, but so far the idea of tax increases h[as] been strongly resisted at [the] highest political levels.

Our Lobby Editor writes [that] those Ministers favouring a ri[se] in petrol tax take the view th[at] this could be an effective way [of] curbing a continuing rise [in] demand in the econom[y] as well as increasing th[e] shortfall in Exchequ[er] revenues caused by the oil cris[is]. Other Ministers are opposed [to] such a move because of th[e] upward thrust it would give [to] general price indices.

The oil crisis has come after [a] period of almost unprecedented rapid growth, and, althoug[h] consumer spending has flatten[ed] out (to-day's retail sales figur[es] for October are expected to sh[ow] a fall), it has done so at a hi[gh] level.

Investment

An indication of recent tren[ds] in capital investment will [be] given by the provisional thi[rd] quarter figures to be publish[ed] to-day.

This is also a week in whi[ch] the foreign exchange market w[ill] be given plenty of opportunity [to] reflect on the balance of [pay]ments situation, with the Nov[em]ber reserves figures to-morr[ow], the latest trends in the terms [of] trade on Thursday and the th[ird] quarter's balance of payme[nts] figures on Friday.

Priority for business air travel

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PRIORITIES now being worked out by the scheduled airlines to meet shrinking fuel supplies put business travel first and holiday flights at the bottom of the list.

At the same time, the holiday charter airlines are worried at the extent of the fuel cuts they are facing, and fear that some of them may be forced out of business if the fuel situation worsens.

Differences of view have already emerged between the two sides of the airline industry in the talks with the Department of Trade and Industry aimed at implementing the 10 per cent. cut in fuel use ordered by the Government.

The scheduled airlines are arguing that they should be regarded as essential public transport, and that the most important task is to keep the country's business and commercial transport links open.

Both sides of the industry are claiming some preferential treatment, and it seems likely that Mr. Michael Heseltine, the Minister for Aerospace will have to step in to settle what is otherwise likely to become a major row.

British Airways is expected to announce this week its first cuts in services on routes other than the North Atlantic.

These are expected to take the form of cuts in frequencies on many routes, but especially where flights have low load factors. By consolidating flights, the aim will be to keep the network intact as far as possible.

If fuel supplies worsen, calli[ng] for bigger cuts, however, t[he] priority scale worked out [by] British Airways would ensu[re] that the "holiday" routes, f[or] example to places like Palm[a], Corfu and Rhodes, would be c[ut] back first.

Next would be freight opera[tions], and then the busine[ss] routes of lesser significance, suc[h] as Barcelona, Lisbon, Malt[a], Naples, Valencia, and Venice.

Only as a last resort would th[e] main international trunk rou[tes] be retricted, such as those [to] Paris, Brussels, Amsterdam, Geneva, Rome and Milan.

OBITUARY

David Ben Gurion

BY L. DANIEL

HISTORY will decide whether Theodor Herzl, the visionary Viennese journalist who laid the ideological foundations for modern Zionism; Prof. Chaim Weizmann, Israel's first President who paved the way for the establishment of the State by obtaining the Balfour Declaration from the British Government; or David Ben Gurion, the country's first Premier, should become known as the Father of modern Israel. But about Ben Gurion's key role there can be no discussion.

Born David Green in the Ghetto of Plonsk, Poland, on October 16, 1886, young David was a Zionist from early childhood. He became David Ben Gurion soon after his arrival as a steerage passenger, aged 19, in what was then Turkish-ruled Palestine, to join the small band of visionaries trying to build a new Jewish homeland.

He rose steadily within the Zionist labour movement, which through the Kibbutzim, the Histadrut labour federation and its economic enterprises controls about a quarter of the country's entire economy, in turn providing the foundations for the Israel Labour Party which, despite changes of name reflecting ideological rifts and reunifications, has been the country's ruling party since the birth of the State of Israel in 1948.

But even the young Ben Gurion was farseeing enough to realise that farm labour by itself was not enough to cope with the Turkish administration so that some years before World War I he went to Constantinople and Salonika universities to study law. He was expelled from Palestine by the Turks in 1915, went to the U.S. (where he met and married Paula Munweiss who died in 1968 having borne him three children). It was in the U.S. and Britain that Ben Gurion helped organise the World War I Jewish Legion which he joined to return to Palestine to fight the Turks under British command.

Ironically, it was this training that stood him and his comrades in good stead when they later came to organise the "Haganah," the Jewish underground army that was formed to fight the British mandatory administration's restrictive immigration policies vis a vis the hundreds of thousands of Jews who tried to flee first from Germany following the advent of Hitler and then from all German-occupied Europe.

With the ending of the Mandate in May 1948, Ben Gurion saw his 50-year struggle crowned with success when, on May 14, he proclaimed the birth of the State of Israel whose Prime Minister he was to be for over a decade. It was he who steered the country through the crucial summer of 1948 when the armies of the surrounding Arab countries tried to obliterate the new State; who was at its helm in the early 1950s when the country was flooded with the influx of the remnants of European Jewry and three-quarters of a million Jews who fled from the Arab countries, when the coffers of the Israeli Treasury were empty, when hundreds of thousands lived under canvas and Israeli industry was in its infancy.

But even in these circumstances he did not lose his vision of the redemption of the land. In 1953 he went into voluntary exile at the desert kibbutz of Sde Boker, in the barren Negev, to set an example to Israeli youth to settle the empty South. He returned to Jerusalem as vigorous as ever in 1955, headed the Government during the Suez crisis of 1956, and retired finally, albeit reluctantly, in 1963, never quite forgiving the late Levi Eshkol for succeeding him in the Premiership.

Ben Gurion devoted the last seven years of his life to the preparation of his memoirs and a history of Israel. He hardly appeared in public in recent years with the exception of the celebration of his 85th birthday two years ago which were staggered over a period of months to enable him to attend the numerous ceremonies which were arranged by cities, townships and various organisations.

His 87th birthday on October 16, was hardly marked as it coincided with the Yom Kippur war. His last official function was to represent the Israeli Government at the funeral of President de Gaulle. His most recent meeting with a major statesman was that with Chancellor Willy Brandt during the latter's visit to Israel in June. This is perhaps symbolical since it was David Ben Gurion who took the first step towards a reconciliation with Germany following the holocaust, steps which eventually led to the establishment of diplomatic relations between the two countries in 1965.

Ben Gurion never rejoined the Socialist movement which he helped to found despite pleas by Premier Golda Meir. He left Mrs. Meir's Mapai Party to found "Rafi" together with Moshe Dayan and Shimon Peres but Rafi subsequently amalgamated with Mapai and another socialist grouping to found the Israel Labour Party, the main partner in to-day's coalition Government. Ben Gurion, at the time, formed the so-called "State List" which ironically is to-day a part of the Right-wing Likud Opposition alignment.

As founder of the State and its first premier, Ben Gurion and his colleagues in the declaration of independence in 1948 stated: "We extend our hand to all neighbouring States and their peoples" offering them "freedom and good-neighbourly relations."

And now 25 years and four wars later with a possible peace conference on the horizon, Ben Gurion did not live to see this wish fulfilled.

Fiat's rustproofing vs. the Atlantic Ocean.

This car body was rust-proofed the regular way.

This car body was rust-proofed the new Fiat way.

We chained two specially prepared Fiat bodies to a rock in the Atlantic.

For this test, one was rust-proofed our new way.

The other wasn't.

For 30 days they were sprayed with more salt than most cars see in many years.

And as you can see in the photographs, the car that was rust-proofed our new way has barely a trace of rust.

We have a better way to rust-proof a car.

First of all, we spray a special kind of wax into the door panels and all the hidden parts of the frame to reduce moisture accumulation and therefore corrosion from within.

We build up several coats of enamel to a thickness of at least 100 microns. And our automatic equipment ensures uniformity in the many layers of paint.

We use many kinds of paint, because different parts of a car are affected differently by rust and corrosion. For example, we apply a super-tough epoxy paint or two coats of aluminium paint electrostatically to the wheels.

As a result of this, our way of rust-proofing a car significantly prolongs the car's life even under the worst operating conditions.

Fiat's 2 year warranty.

Because of what we have learned we now give a warranty for two years against rust. For all details ask your Fiat dealer.

Fiat is the closest thing to the rustproof car.

FIAT

Fiat (England) Ltd. Great West Road Brentford Middlesex TW8 9DJ Tel. 01-568 8822

A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration.
Application has been made to the Council of The Stock Exchange for the whole of the Ordinary Shares of J. E. Sanger Limited ("the Company"), issued or now being issued as mentioned below, to be admitted to the Official List.

This Offer for Sale contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Application List for the Ordinary Shares now offered for sale will open at 10 a.m. on Thursday, 6th December, 1973 and will close at such later time on the same day as Hambros Bank Limited may determine.

J. E. Sanger Limited

(Incorporated in England under the Companies Acts 1948 to 1967—No. 948145)

Offer for Sale by

Hambros Bank Limited

of 3,600,000 Ordinary Shares of 10p each at 90p per Share

payable in full on application

The Ordinary Shares now offered for sale rank in full for all dividends hereafter declared or paid on the Ordinary share capital of the Company.

Share Capital

Authorised:		*Issued or now being issued and fully paid:*
£1,500,000	**in 15,000,000 Ordinary Shares of 10p each**	**£1,000,000**

Indebtedness

At the close of business on 9th November, 1973 the Company and its subsidiaries ("the Group") had outstanding bank loans and overdrafts aggregating £2,351,667 (of which £223,002 was secured by a charge over investments). Where applicable foreign currency amounts have been converted at the rates ruling at that date. Save as aforesaid and apart from (a) liabilities to bankers under documentary credits arising from the purchase of goods in the ordinary course of business and (b) inter-company liabilities within the Group, no company in the Group had outstanding on that date mortgages, charges, debentures or other loan capital or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire-purchase commitments or (other than in the ordinary course of business) any guarantees or other material contingent liabilities.

DIRECTORS

James Edward Sanger (*Chairman and Managing Director*), Barberry Cottage, Waterhouse Lane, Kingswood, Tadworth, Surrey.
Ernest Leslie Charles Grant (*Executive Director*), 29 Hillary Mount, Billericay, Essex, CM12 9JT.
Derek Horne (*Executive Director*), 4 Valley View, Southborough, Kent, TN4 0ND.
James Gordon Jackson, LL.B., F.C.A. (*Finance Director*), 55 High Drive, Coombe Hill, New Malden, Surrey, KT3 3UD.
Roger Malcolm Norton (*Joint Managing Director of Sanger Australia Pty. Limited*), 7/32 Ross Street, Newport Beach, New South Wales, 2106, Australia.
John Sanger (*Executive Director*), 6 Bradenhurst Close, Harestone Hill, Caterham, Surrey, CR3 6DS.
Raymond Alfred Thornton (*Executive Director*), 1 Boyce Green, South Benfleet, Essex, SS7 5LF.
John Chippendale Lindley Keswick (*Non-Executive Director; a Director of Hambros Bank Limited*), 1A Ilchester Place, London, W14 8AA.

BANKERS

The Bank of Adelaide, 11 Leadenhall Street, London, EC3V 1LP.
Midland Bank Limited, Poultry and Princes Street Branch, London, EC2P 2BX.
Hambros Bank Limited, 41 Bishopsgate, London, EC2P 2AA.

RECEIVING BANKERS TO THE OFFER FOR SALE

Midland Bank Limited, New Issue Department, P.O. Box 518, Austin Friars House, Austin Friars, London, EC2P 2HU.

BROKERS

Panmure Gordon & Co., 21 Austin Friars, London, EC2N 2ES, and The Stock Exchange.

SOLICITORS

To the Company: **Slaughter and May**, 35 Basinghall Street, London, EC2V 5DB.
To Hambros Bank Limited: **Norton, Rose, Botterell & Roche**, Kempson House, Camomile Street, Bishopsgate, London, EC3A 7AN.

AUDITORS AND REPORTING ACCOUNTANTS

Arthur Young McClelland Moores & Co., *Chartered Accountants*, Moor House, London Wall, London, EC2Y 5HP.

SECRETARY AND REGISTERED OFFICE

John Sanger, Metral House, 62-68 St. John Street, London, EC1P 1HH.

REGISTRARS AND TRANSFER OFFICE

Arthur Young McClelland Moores & Co., Union Chambers, 63 Temple Row, Birmingham, B2 5ND.

CHAIRMAN'S LETTER

The following is a copy of a letter to Hambros Bank Limited ("Hambros") from Mr. J. E. Sanger, the Chairman and Managing Director of the Company:—

29th November, 1973.

The Directors,
HAMBROS BANK LIMITED.

Dear Sirs,

In connection with your Offer for Sale of Ordinary Shares of J. E. Sanger Limited ("the Company") I have pleasure in giving you the following information:—

History and Business

The Company was incorporated in February, 1969. The Company and its subsidiaries ("the Group") market meat and allied products on an international basis, putting into operation ideas and techniques which I had formulated during many years of experience in the industry.

My colleagues and I concentrated from the outset on fostering reliable sources of supply in most of the major meat producing countries of the world and on linking supplies directly with the specific requirements of our customers. It is in this respect that our merchanting policies represented the most marked departure from the traditional practice, operated by wholesalers, of offering imported meat for sale after its arrival in the United Kingdom. These policies require close and frequent contact with both customers and suppliers as well as immediately available information on trading conditions throughout the world. We have also regarded it as important for the Group to achieve flexibility in its trading operations by maintaining independence in dealings with producers and customers, by avoiding any significant investment in fixed assets and by controlling the level of stocks held for the Group's own account.

As a result of expanding world demand for meat and increasing competition for available supplies, I realised that the establishment and maintenance of close business relationships with meat producers was an essential part of our activities. Initially this was mainly achieved by personal contact. However, in the early part of this year, as a result of the Group's rapid expansion, buying organisations in the form of subsidiary companies were established in two important meat exporting countries, namely Australia and the Republic of Ireland. As well as supplying the Company and its Continental subsidiaries, these purchasing subsidiaries are beginning to trade direct with other major meat importing countries, particularly the United States of America and Japan.

It is our general policy to buy entire carcases from meat works (corresponding to abattoirs) and, prior to shipment through the usual container and other refrigeration services to United Kingdom and Continental ports, to have them cut and packed to our customers' or, in certain cases, to our own specifications. Normally we contract to sell approximately 70 per cent. of all purchases imported into the United Kingdom before they arrive at the port of discharge and as a result stocks held by the Company are usually kept at a relatively low level. Thus we obtain the double advantage of reducing working capital requirements and mitigating the adverse effects of price fluctuations. Meat is usually delivered direct to the customer from the port by contract transport.

The Group's trading to date has been almost entirely in chilled or frozen meat, mainly beef, lamb, mutton and offal, although other meat products have been dealt in to a lesser extent. In the period from 1st January, 1973 to 30th September, 1973 purchases in Australia represented 51 per cent., in New Zealand 14 per cent., in Argentina 12 per cent., in North America 11 per cent. and in the United Kingdom 6 per cent. of total Group purchases (purchases in the United Kingdom were to a substantial extent of meat deriving from Australia, New Zealand or Argentina); no other country accounted for more than 3 per cent. of total Group purchases. In the same period no one supplier accounted for more than 7 per cent. of total Group purchases.

The scope of our activities is broadening. For instance, we are increasingly trading in fresh meat products, particularly within the European Economic Community. New sources of supply, in particular Germany and France, are being developed. We are also exploring with our suppliers changes in their traditional methods of cutting meat to suit the requirements of consumers on the Continent. The Group's principal customers are supermarkets, multiple stores, frozen food specialists, manufacturers and wholesalers in the trade and in total in the 9 months ended 30th September, 1973 we supplied some 400 customers in the United Kingdom and 390 in Continental Europe. In the same period no individual customer accounted for more than 6 per cent. of total sales. Customers in the United Kingdom include Batchelor's, Bejam, Birds Eye, Heinz, Sainsbury's and Wall's.

Even before the United Kingdom joined the European Economic Community, it had been my intention to take advantage of the growing opportunities presented by the European markets once the operations of the Company in the United Kingdom had been successfully established. It was accordingly decided to form subsidiary companies in selected Continental countries which would trade on lines similar to those followed by the parent company. Companies were formed in Rotterdam in November, 1971, in Paris in August, 1972 and in Hamburg earlier this year. These companies have their own local management and purchase not only direct from the Group's purchasing subsidiaries or from meat works in other parts of the world but also from the Company in London. Daily communication either by telephone or telex is made with the London office to take advantage of that office's information on world trading conditions and also to establish overall Group purchasing policy which is co-ordinated in London.

Although the Group's Continental operations have only recently been established, their progress has been encouraging, particularly since, in addition to normal start-up problems, the Group has to overcome the different problems posed by each country in terms of consumer tastes and requirements. In the 10 months ended 31st March, 1973 Continental turnover represented some 16.7 per cent. of total Group turnover, but in the following 6 months this percentage rose to some 33.6 per cent. of a total turnover which on an annualised basis had itself substantially increased.

A wholly-owned subsidiary, Multifayre Limited, has to date handled pre-packed foods and prepared meals imported from New Zealand for sale in the United Kingdom. Consideration is being given to extending its activities into other pre-packed foods and canned meat products.

Premises

Due to the nature of the business the Group's fixed assets are insignificant. The Company and its subsidiaries occupy leased offices in London, Rotterdam, Paris, Hamburg, Dublin and Sydney, details of which are given in "Particulars of Premises" under "Statutory and General Information" below.

Directors, Management and Staff

I am 43 and had been engaged in various aspects of the meat trade for 14 years before forming the Company in 1969. As Chairman and Managing Director, my responsibilities extend throughout the Group's operations, both in the United Kingdom and overseas. I travel extensively, visiting overseas subsidiaries and existing and potential suppliers.

Mr. E. L. C. Grant is 61 and was a founder Director of the Company. He has had some 40 years' experience in the meat trade and had been associated with me before the Company was formed. His main activity is the co-ordination of shipping and transport.

Mr. D. Horne is 46 and joined the Company in March, 1973, prior to which he had held senior appointments in meat supply companies of international reputation. He is the immediate past Vice-President of The Imported Meat Trade Association Incorporated. His responsibility in the Group is the co-ordination of all trading aspects.

Mr. J. G. Jackson, who is 39 and a Chartered Accountant, joined the Company in October, 1972 as the Finance Director. He was previously a partner in the Company's former auditors.

Mr. R. M. Norton is 31 and joined the Company in May, 1969. Before joining the Company he had several years' experience with substantial companies in the meat wholesale trade. His initial acitivities on joining the Company were in the United Kingdom trading operations. He has recently moved to Australia as Joint Managing Director of Sanger Australia Pty. Limited.

Mr. John Sanger, my brother, is 41 and joined the Company on its incorporation in 1969. He is Group Administration Director and the Secretary of the Company and has responsibility for matters such as personnel management and insurance.

Mr. R. A. Thornton is 27 and joined the Company in July, 1969. He has been engaged in various branches of the meat trade. His current responsibility is to work closely with Mr. Horne on all trading aspects.

Mr. J. C. L. Keswick, who is 33 and a Director of Hambros Bank Limited ("Hambros"), became a Non-Executive Director of the Company on 29th November, 1973.

All the Executive Directors have entered into full-time Service Agreements for periods of 7 years except for Mr. Grant, whose Agreement runs until he attains 65 and Mr. Norton, to whom it is intended to grant a 7 year Service Agreement (see "Service Agreements" and Contracts Nos. (3)—(6) in "Statutory and General Information" below).

As will be seen from the details of the above Directors, it is the Group's policy to appoint executives to the Board at a fairly early age. By reason of the nature of the Group's business there are few senior employees; indeed there are only approximately 50 employees in the United Kingdom and 35 overseas.

The following are the principal overseas executives. Mr. H. Tydgat (Dutch; the Managing Director of Sanger Rotterdam B.V.) joined the Group in October, 1971 with the specific task of setting up that subsidiary; his wide experience of United Kingdom and Continental markets had been gained with a firm of New Zealand meat exporters. Mr. H. G. Muhlenhoff (German; the Managing Director of Sanger Paris S.A.), who is in charge of the Group's activities in France, was introduced to the Group by Mr. Roth and worked at the London and Rotterdam offices before going to Paris. Mr. C. C. Roth (Swiss), who is a non-executive director of all the Continental companies, is a long-standing friend of mine and the Group benefits from his particular experience in shipping. Mr. J. W. D. Cooper (Australian; the Joint Managing Director of Sanger Australia Pty. Limited) has a wide knowledge of the Australian meat exporting industry which he gained from many years' experience in a family business. His knowledge of Australian conditions enables him to work as a team with Mr. Norton whose expertise relates to United Kingdom market requirements. Mr. E. J. Waldron (Irish; the Managing Director of Sanger Dublin Limited) was known to me for some years before he joined the Group to set up Sanger Dublin Limited. He is familiar with all aspects of the Irish meat market.

My intention from the start was to build up an international management team of young and enthusiastic directors and managers of proven ability. The success of the Group has been largely due to the dedication of this team.

Statistics in Brief

The following statistics are extracted from the full text of this Offer for Sale and accordingly should be read in conjunction with that text and, in particular, the paragraphs of the Offer for Sale referred to in the relevant Notes below:—

Profit Record (note 1)

	Profits before taxation £'000
15 months ended 31st May, 1970	112
Year ended 31st May, 1971	162
Year ended 31st May, 1972	245
10 months ended 31st March, 1973	834
6 months ended 30th September, 1973	836

Assets

Net tangible assets as at 30th September, 1973 (note 2)	£3,044,000
Adjusted net tangible assets per Share	30·44p

Offer for Sale Statistics

Offer for Sale price	90p per Share
Total value of issued share capital at Offer for Sale price	£9,000,000
Forecast earnings for the year ending 31st March, 1974 (note 3)	£1,700,000
Forecast earnings per Share for the year ending 31st March, 1974 (note 4)	8·5p
Price/earnings ratio based on Offer for Sale price and forecast earnings for the year ending 31st March, 1974	10·58 times
Forecast dividend per Share for year ending 31st March, 1974	2·2p
Estimated dividends per Share in a full year as a public company (note 3) comprising:	
Interim dividend payable in about March	1·6p
Final dividend payable in about September	2·8p
Gross equivalent of estimated dividends per Share	6·28p
Yield at Offer for Sale price on the basis of gross equivalent of the estimated dividends per Share	6·97 per cent.

Notes—
1. See "Accounting Policies" and "Turnover and Profits" in the Accountants' Report.
2. The net tangible assets have been adjusted to reflect the redemption of Preference Shares and for the net proceeds of the issues of 2,200,000 Ordinary Shares.
3. See "Profits and Dividends" in the Chairman's letter.
4. Earnings have been calculated on the "net" and "nil" bases and represent the forecast profits for the year ending 31st March, 1974 on the basis of an effective taxation rate of 50 per cent.

Share Option Arrangements

I consider that the opportunity for executives to acquire shares in the Company is an important management incentive and on 29th November, 1973 the Company approved arrangements for an Executive Share Option Scheme for such executive directors and senior executives of the Group (other than myself) as the Directors of the Company may determine. The Scheme will not be implemented until the approval of the Inland Revenue has been obtained under the Finance Act 1972 (as amended) and the Scheme permits the Directors to make any alterations from time to time which will enable it to be approved by the Board of Inland Revenue. No options will be granted under the Scheme to Directors or executives resident in the United Kingdom until Government policy permits.

It is intended, however, to grant options over approximately 100,000 Ordinary Shares to certain of the executive directors of overseas subsidiaries on terms similar to those contained in the Scheme as soon as possible after the Company's Ordinary share capital has been admitted to the Official List.

The maximum number of Ordinary Shares which may be issued pursuant to such options, whether under the Scheme or the arrangements relating to overseas executives, is 500,000; that figure is subject to adjustment in the event of certain variations in the share capital of the Company.

A summary of the principal terms of these arrangements is set out in "Share Option Arrangements" under "Statutory and General Information" below.

Proceeds of the Issues and Working Capital

In order to support the Group's substantially increased level of activity and to enlarge the base for further expansion, the Company is now raising additional permanent capital. The proceeds of the issues of a total of 2,200,000 new Ordinary Shares of 10p each being subscribed by Hambros and Merchandise and Investment Trust Limited, amounting to £1,841,000, after deduction of the estimated expenses of the issues, will be applied in repaying the Company's secured indebtedness and as to the balance will be utilised as additional working capital for the Group. Taking into account the net proceeds of the issues and the facilities available, the Directors are of the opinion that the Group will have sufficient working capital for its present requirements.

Profits and Dividends

The trading policies described earlier have led to rapid growth of both turnover and profits, as will be seen from the Accountants' Report below.

The first trading period of 15 months ended 31st May, 1970 produced a turnover of £4,573,000 and profits before taxation of £112,000. In the next two years our methods of trading obtained growing recognition from our customers and suppliers and business expanded steadily. In the 10 months to 31st March, 1973 the most marked rise in turnover and profits occurred. The Group's turnover and its profits before taxation for this period increased to £26,823,000 and £834,000 respectively.

This progress has been maintained in the first half of the current financial year with Group profits before taxation for the 6 months ended 30th September, 1973 amounting to £836,000. These profits have been achieved against a background of several months of uncertainty regarding world meat prices and in foreign exchange markets which caused disturbed conditions in the trade.

Following the fall in meat prices in the United Kingdom market which occurred in the Spring of this year and which was, I believe, unique in the industry's experience, a provision against losses on forward meat contracts at 31st March, 1973 was made in accordance with the accounting policy mentioned in the Accountants' Report. In arriving at the provision necessary under this accounting policy, no account is taken of the profitable forward meat contracts outstanding at the balance sheet date; profits derived from those contracts and brought into account in the following period were substantially in excess of the loss provided for at 31st March, 1973.

As already explained, much of the Group's trading consists of forward covered contracts for completion some months ahead. After taking into account the amount of forward business on hand, the Directors are of the opinion that, in the absence of unforeseen circumstances, Group profits before taxation and minority interests for the full year ending 31st March, 1974 will not be less than £1,755,000; the interest of the minority shareholders in these pre-tax profits would be approximately £55,000.

Arthur Young McClelland Moores & Co., Chartered Accountants, the Auditors of the Company and the Reporting Accountants, and Hambros have reported on the above forecast. Their reports, together with the assumptions (including the commercial assumptions) on which the forecast is based, appear in "Profits Forecast—Assumptions and Reports" under "Statutory and General Information" below.

For the year ending 31st March, 1974, in the event of the forecast profits being achieved the Directors expect the Company to pay in about July, 1974 an interim dividend (in lieu of a final dividend) of 2·2p per Share.

If the forecast profits had been achieved in a full year as a public company, the Directors would have expected to recommend total dividends of 4·4p per share, which with the tax credit would be equivalent to 6·28 per cent. gross, payable as an interim dividend of 1·6p in about March and a final dividend of 2·8p in about September.

The following table illustrates the appropriation of profits before taxation of £1,700,000 and dividends totalling 4·4p per share:—

	£
Forecast profits before taxation for the year ending 31st March, 1974	1,700,000
Less: Taxation assumed at 50 per cent.	850,000
Profits after taxation	850,000
Dividends totalling 4·4p per Share on 10,000,000 Ordinary Shares of 10p each	440,000
Retained profits	£410,000

On the foregoing basis, assuming an effective taxation rate of 50 per cent. and at the Offer for Sale price of 90p, the price/earnings ratio would be 10·58, the dividend would be covered 1·93 times and the gross dividend yield would be 6·97 per cent.

Future Prospects

Operations in the United Kingdom have already reached a high level, but I believe that there are still considerable growth prospects due to the flexibility of our trading methods and to our improving contacts with additional meat producing areas, particularly in the European Economic Community. It has taken time to obtain the expertise necessary to operate successfully in Continental Europe, but the performance of the Continental subsidiaries has been satisfactory and I believe that the long-term prospects on the Continent are good.

The Australian and Irish subsidiaries are at present predominantly Group buying organisations, but, now that they have been firmly established, we are already extending their operations into direct trading with North America and Japan in order to be able to take advantage of the considerable opportunities in those countries. I believe that these two subsidiaries will in the years ahead be major contributors to Group profits.

With increasing world demand for meat, the international coverage now achieved by the Group and the growing recognition of the Company's name throughout the world, I look forward to the future with confidence.

Yours faithfully,
J. E. SANGER, *Chairman and Managing Director.*

ACCOUNTANTS' REPORT

The following is a copy of a Report by Arthur Young McClelland Moores & Co., Chartered Accountants, the Company's Auditors and the Reporting Accountants:—

The Directors,
J. E. SANGER LIMITED *and*
HAMBROS BANK LIMITED

29th November, 1973.

Gentlemen,

We have examined the audited accounts of J. E. Sanger Limited ("the Company") and its subsidiary companies for the period from the date of incorporation of the Company, 17th February, 1969, to 30th September, 1973. The Company and its subsidiaries are collectively referred to as "the Group". We have been auditors of all the companies in the Group for the accounting periods since 1st June, 1972.

1. Accounting Policies

The significant accounting policies employed in arriving at the financial information set out in this Report are as follows:—

(i) **Basis of consolidation**
The Group accounts comprise the results of the Company and all of its subsidiaries. The accounts of the subsidiaries are converted to sterling at the approximate rates of exchange ruling at the balance sheet date.
The unrealised profits on exchange on Group payables and receivables, so far as they exceed losses on such accounts, are carried forward in an exchange equalisation account. Should losses exceed profits, the net loss is recognised in the profit and loss account of the year involved.

(ii) **Stocks**
Stocks are valued at the lower of cost and net realisable value. Cost represents invoiced price plus inward freight, insurance and customs duty.

(iii) **Forward meat contracts**
Provision is made in the accounts for actual or anticipated losses on forward meat contracts at the balance sheet date. No account is taken of potential profits arising on contracts.

(iv) **Foreign exchange contracts**
Provision is made against estimated losses on foreign exchange contracts which are open at the balance sheet date.

(v) **Depreciation**
The Group provides for depreciation on fixed assets so as to write them off over their estimated working lives.

2. Turnover and Profits

In our opinion, the summary set out below, read in conjunction with the notes thereto and the statement of Accounting Policies, gives, so far as concerns the members of the Company, a true and fair view of the consolidated profits of the Group for the periods from 17th February, 1969 to 30th September, 1973.

	Period from incorporation to 31st May 1970	*Year ended 31st May 1971*	*Year ended 31st May, 1972*	*Ten months ended 31st March, 1973*	*Six months ended 30th September 1973*
	£'000	£'000	£'000	£'000	£'000
Turnover (note (iii))	4,573	5,703	10,111	26,823	23,674
Cost of sales	4,461	5,541	9,866	25,989	22,838
Including: Interest payable	2	8	17	148	159
Depreciation	2	1	3	6	9
Income from investments					
Listed	—	—	—	—	(1)
Unlisted	(10)	(5)	—	—	—
Profits before taxation	112	162	245	834	836
Taxation—United Kingdom	46	66	103	330	329
—Overseas	—	—	—	21	93
	46	66	103	351	422
Profits after taxation	66	96	142	483	414
Minority interests	—	—	—	3	15
Retained profits	66	96	142	480	399

Notes:—
(i) The above figures are based on the audited accounts of the Group, after making such adjustments as we consider appropriate.
(ii) The results of subsidiary companies have been consolidated from their dates of incorporation.
(iii) Turnover represents invoiced sales to third parties.
(iv) The Group's Accounting Policy (iii) above necessitated provisions of £230,000 in the ten months to 31st March, 1973 and £38,819 in the six months to 30th September, 1973.
(v) The Group's Accounting Policy (iv) above necessitated provisions of £60,000 in the ten months to 31st March, 1973 and £357 in the six months to 30th September, 1973.
(vi) The aggregate emoluments of the directors of the Company for the six months ended 30th September, 1973 amounted to £36,229.
(vii) The Company has never paid a dividend on its Ordinary share capital. The holder of the Non-Cumulative Redeemable 8% Preference Shares waived his rights to a dividend in each period.

The Financial Times Mon...

J.E. Sanger Limited

—*continued*

Balance Sheets

[In] our opinion the balance sheets set out below, read in conjunction with the notes thereto and the statement of [Ac]counting Policies, give, so far as concerns the members of the Company, a true and fair view of the state of affairs [of] the Company and the Group at 30th September, 1973 and the summaries of balance sheets set out in note (vii) [be]low give, so far as concerns the members of the Company, a true and fair vew of the state of affairs of the Group at [ea]ch of the dates stated.

THE COMPANY				THE GROUP		
Net book value	Depreciation	Cost		Cost	Depreciation	Net book value
£'000	£'000	£'000	**Fixed Assets**	£'000	£'000	£'000
40	1	41	Leasehold improvements	45	2	43
17	8	25	Motor vehicles	37	11	26
13	5	18	Furniture and equipment	38	7	31
70	14	84		120	20	100
119			Investment in subsidiary companies			
218			Listed trade investments (note (ii))			247
			Current assets			
	1,632		Amounts owing from subsidiary companies			
	2,170		Stocks		4,265	
	1,894		Debtors		3,643	
	1		Bank balances and cash		13	
	5,697				7,921	
			Current liabilities			
	71		Amounts owing to subsidiary companies			
	1,775		Creditors		2,700	
	762		Taxation		869	
	2,265		Bank loans and overdrafts (note (iii))		3,267	
	4,873				6,836	
824			**Net current assets**			1,085
(25)			Exchange equalisation account			(102)
			Minority interests			(47)
1,206			**Net tangible assets**			1,283
			Representing:			
			Share capital			
	80		Non-Cumulative Redeemable 8% Preference Shares (note (vi))		80	
100	20		Ordinary Shares		20	100
1,106			**Reserves**			1,183
1,206						1,283

[N]otes:—

(i) The above figures are based on the audited accounts of the Company and the Group after making such adjustments as we consider appropriate.

(ii) The Group has trade investments in certain listed Australian meat processing companies. At 30th September, 1973 the market value of these investments, none of which represented more than 5 per cent. of the relevant company's equity share capital, was £224,312 (the Company £196,120).

(iii) At 30th September, 1973 the Company had a secured bank loan from Hambros Bank Limited of £218,480, which is repayable out of the proceeds of the Offer for Sale dated 29th November, 1973. Other Group loans and overdrafts are unsecured and repayable on demand.

(iv) The Company has guaranteed banking facilities of its subsidiary companies up to a maximum amount of the equivalent of £2,107,814.

(v) *The Company had contracted capital commitments at 30th September, 1973* amounting to £20,000.

(vi) The Non-Cumulative Redeemable 8% Preference Shares were redeemed on 5th November, 1973.

(vii) A summary of the balance sheets of the Group to 31st March, 1973, after making such adjustments as in our opinion are appropriate follows. (*All the Company's shares were issued for cash at par shortly after incorporation*).

	31st May			31st March
	1970	1971	1972	1973
	£'000	£'000	£'000	£'000
Fixed assets	8	10	19	31
Trade investments (note (ii) above)	—	—	—	260
Current assets:				
Stocks	128	317	599	2,434
Debtors	333	416	1,009	2,473
Deposits, bank balances and cash	50	—	8	158
	511	733	1,616	5,065
Current liabilities:				
Creditors	244	292	666	2,282
Taxation	44	110	207	452
Bank loans and overdrafts	65	79	357	1,724
	353	481	1,230	4,458
Net current assets	158	252	386	607
	166	262	404	898
Minority interests	—	—	—	4
Net tangible assets	166	262	404	894
Representing:—				
Share capital	100	100	100	100
Reserves	66	162	304	794
	166	262	404	894

4. Accounts

No audited accounts of the Company or its subsidiaries have been made up in respect of any period subsequent to 30th September, 1973.

Yours faithfully,
ARTHUR YOUNG McCLELLAND MOORES & CO.,
Chartered Accountants.

STATUTORY AND GENERAL INFORMATION

1. The Company

The Company was incorporated in England on 17th February, 1969 with an authorised share capital of £100,000 divided into 80,000 Non-Cumulative Redeemable 8% Preference Shares of £1 each, 48,000 "A" Ordinary Shares of 25p each and 32,000 "B" Ordinary Shares of 25p each. All of such Shares were issued for cash at par shortly after incorporation. *Save as mentioned below, there have been no subsequent changes in the issued share capital of the Company.*

On 5th November, 1973 the Company:—

(a) redeemed at par the 80,000 Non-Cumulative Redeemable 8% Preference Shares of £1 each, their beneficial owner being Mr. D. B. Thompson who was then a Director of the Company; and

(b) *converted each of the 48,000 "A" Ordinary Shares of 25p* and each of the 32,000 "B" Ordinary Shares of 25p into one Ordinary Share of 25p.

On 29th November, 1973 the Company:—

(a) sub-divided each of the 80,000 Ordinary Shares *of 25p into 5 Ordinary Shares of 5p each and then consolidated* such Shares into 200,000 Ordinary Shares of 10p each;

(b) *converted the authorised* but unissued share capital of the Company of £80,000 into 800,000 Ordinary Shares of 10p each;

(c) increased the authorised share capital to £1,500,000 by the creation of an additional 14,000,000 Ordinary Shares of 10p each;

(d) allotted credited as fully paid to existing Ordinary Shareholders a total of 7,800,000 Ordinary Shares of 10p each by way of capitalisation of reserves;

(e) was converted into a public company and adopted new Articles of Association;

(f) subject to the Council of The Stock Exchange admitting the Ordinary Shares of the Company, issued or to be issued as mentioned herein, to the *Official List on or before 12th December, 1973, resolved to issue to Hambros* 1,950,000 new Ordinary Shares of 10p each at a price of 88p per Share and to Merchandise and Investment Trust Limited ("MIT") 250,000 Ordinary Shares of 10p each at a price of 90p per Share, representing an aggregate subscription of £1,941,000 to be payable to the Company subject to such listing being granted; and

(g) approved the share option arrangements, details of which appear in paragraph 9 below.

2. Subsidiaries

The Company has the following subsidiaries:—

Name	Country and Date of Incorporation	Paid-up capital	Percentage of issued share capital effectively owned by the company	Business
Sanger Rotterdam B.V.	Netherlands 23rd November, 1971	D.Fl.10,000	87½*	Importers of and dealers in meat and allied products
Sanger Paris S.A.	France 4th August, 1972	Fr.F.100,000	100	Importers of and dealers in meat and allied products
Sanger Hamburg G.m.b.H.	West Germany 26th June, 1973	DM.20,000	100	Importers of and dealers in meat and allied products
Sanger Holdings Australia Pty. Limited	New South Wales, Australia 24th January, 1973	A$150,000	100	A holding company for Australian investment
Sanger Australia Pty. Limited	New South Wales, Australia 24th January, 1973	A$200,000	75	Purchasers and exporters of meat and meat products
Sanger Dublin Limited	Republic of Ireland 12th April, 1973	£5,000	100	Purchasers and exporters of meat and meat products
Multifayre Limited	England 11th May, 1971	£10,000	100	Importers of frozen and convenience foods

*The outstanding minority interest is in course of being acquired for a consideration in cash representing the Dutch currency equivalent of £897. Such acquisition is subject to the requisite official consents.

The capital of each subsidiary, other than Multifayre Limited and Sanger Australia Pty. Limited, was paid up in full at par on or shortly after incorporation. The Company *subscribed for 9,998 Shares of £1 each of Multifayre Limited on 5th* May, 1972, 2 Shares of £1 each having been subscribed in cash at par by nominees of the Company on its incorporation. *Two Shares of A$1 each of Sanger Australia Pty. Limited* were issued for cash at par on incorporation, 149,998 such Shares were issued for cash at par on 2nd May, 1973 and a further 50,000 such Shares have since been issued for cash at par to minority shareholders; all the above Shares are fully paid.

3. Particulars of Premises

The following are particulars of the premises occupied by companies in the Group:—

Occupier	Address	Approximate Floor Area (in square feet)	Tenure and Rent
The Company	2nd Floor, Metral House, 62-68 St. John Street, London, EC1P 1HH.	4,500	21 years from 20th January, 1973 at an annual rental of £9,152 to 24th March, 1976, of £13,728 for the following 4 years and subject to reviews in 1980 *and 1987.*
The Company	5th Floor, Metral House.	2,000	21 years from 25th March, 1969 at an annual rental of £3,679 subject to reviews in 1976 and 1983.
Sanger Rotterdam B.V.	Delftseplein 37, Rotterdam 3004.	1,440	3 years from 1st October, 1971 at a *current rental* of D.Fl.20,000 per annum subject to annual review.
Sanger Paris S.A.	*15 Place de la Madeleine, 75008 Paris 8.*	920	23½ months from 15th June, 1972 to 31st May 1974 at an annual rental of Fr.F.63,600.
Sanger Hamburg G.m.b.H.	Grimm 12, Hamburg 11.	1,860	9 *years from 28th February,* 1973 to 28th February, 1982 at an annual rent of DM.32,268.
Sanger Australia Pty. Limited	1st Floor, 44 Hunter Street, Sydney, N.S.W.	2,250	3 years from 1st May, 1973 at an annual rental of A$14,976.
Sanger Dublin Limited	46 Fitzwilliam Square, Dublin 2.	1,200	3 years from 24th September, 1973 at an annual rental of £3,000.

4. Issue Arrangements

Under Contract No. (1) below, subject to the Council of The Stock Exchange admitting the Ordinary Shares of the Company, *issued or now being issued as mentioned herein*, to the Official List not later than 12th December, 1973:—

(i) Hambros has agreed:

(a) to subscribe in cash for 1,950,000 Ordinary Shares of 10p each of the Company at a price of 88p per Share;

(b) to purchase from *Mr. D. B. Thompson a total of* 1,650,000 Ordinary Shares of 10p each of the Company at a price of 88p per Share;

(c) *to offer such* 3,600,000 Ordinary Shares for sale to the public; and

(ii) MIT *(a wholly-owned subsidiary of Hambros Limited, Hambros' holding company) has agreed to subscribe in* cash for 250,000 Ordinary Shares of 10p each of the Company at a price of 90p per Share.

Under this Contract Hambros will pay *underwriting commissions of* 1½ per cent. on the price at which the 3,600,000 Shares are being offered for sale, fees to the brokers and Hambros' legal costs. The Company will pay all other expenses of or incidental to this Offer for Sale and the transactions associated therewith. The expenses payable by the Company, including a fee payable to Hambros, are estimated to amount to £100,000.

The minimum amount which, in the opinion of the Directors, is required to be raised by the proposed issues of 2,200,000 *Ordinary Shares of 10p each* for the matters specified in paragraph 4 of Part I of the Fourth Schedule to the Companies Act, 1948 is £1,841,000, all for working capital.

5. Shareholdings.

—*Immediately following this Offer for Sale, the interests of the Directors (and their families)* as they will appear in the register maintained under the provisions of the Companies Act 1967 will be as follows (all beneficial):—

Director	*Ordinary Shares of 10p each*
J. E. Sanger	4,411,975
E. L. C. Grant	195,000
D. Home	—
J. G. Jackson	97,500
R. M. Norton	195,000
J. Sanger	195,000
R. A. Thornton	97,500
J. C. L. Keswick	—

The above holdings do not include any Shares for which the Directors (other than Mr. J. E. Sanger) may decide to apply under this Offer for Sale; nor do they include the 10,000 Shares of Sanger Australia Pty. Limited (5 per cent. of its *issued share capital) owned by Mr. Norton.*

Save as mentioned above the Directors are not aware of any other shareholdings which will represent 10 per cent. or more of the enlarged issued share capital of the Company.

No material issue of Shares (other than under the share option arrangements described below or to shareholders *pro rata* to existing holdings) will be made within one year of the date of this Offer for Sale without the approval of the *members in General Meeting.*

Following this Offer for Sale and except as mentioned herein, 5,000,000 Ordinary Shares of 10p each of the Company would remain unissued and uncommitted but no issue of Shares which would effectively alter the control of the Company or the nature of its business will be made without the prior approval of the members in General Meeting.

6. Taxation.

—The Directors consider that immediately following this Offer for Sale the Company should not be a close company as defined in the Income and Corporation Taxes Act 1970.

Shortfall clearances have been obtained by the Company in respect of all relevant periods to 31st March, 1973. Under Contract No. (2) below the usual taxation and estate duty indemnities have been given.

7. Profits Forecast—Assumptions and Reports

(a) Assumptions

The assumptions on which the Directors of the Company have based the profits forecast contained in "Profits and Dividends" in the Chairman's letter are as follows:—

(i) Trading conditions in the meat markets in which the Group is operating will be unexceptional. Whilst there will be seasonal fluctuations in the prices of particular meats, there will be no large overall rises or falls in meat *prices on the scale of those experienced in the twelve months ended 30th September, 1973 other than for* reasons set out in assumptions (iv), (v) and (vii) below.

(ii) The Group's continued expansion in both existing and new markets will not materially affect the gross margins estimated on the basis of the trading conditions outlined in (i) above.

(iii) Turnover will continue to expand in line with patterns experienced in prior periods.

(iv) The Group's operations will not be significantly affected by a restriction in supplies resulting from disease, drought, industrial unrest or any other factors over which the Group has no control.

(v) The *ability of the Group to earn profits will not be limited by United Kingdom or foreign government* regulations other than those currently in force.

(vi) *Interest rates will not vary substantially from those being paid by the Group on 23rd November, 1973.*

(vii) There will be no material alteration in international exchange rates from those ruling at 23rd November, 1973.

(b) Reports

(i) The following is a copy of the report of the Company's Auditors and Reporting Accountants, Arthur Young McClelland Moores & Co., Chartered Accountants:—

The Directors,
J. E. SANGER LIMITED.

29th November, 1973.

Gentlemen,

We have reviewed the accounting bases and calculations for the profits forecast of J. E. Sanger Limited and its subsidiary companies, for which the Directors are solely responsible, for the year ending 31st March, 1974 set out in the Offer for Sale dated 29th November, 1973. The forecast includes the results shown by audited interim accounts for the six months ended 30th September, 1973.

In our opinion, the forecast, so far as the accounting bases and calculations are concerned, has been properly compiled on the footing of the assumptions made by the Board set out in the Offer for Sale and is presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully,
ARTHUR YOUNG McCLELLAND MOORES & CO.,
Chartered Accountants.

(ii) The following is a copy of the report of Hambros:—

The Directors,
J. E. SANGER LIMITED.

29th November, 1973.

Gentlemen,

We refer to the Offer for Sale dated 29th November, 1973 of 3,600,000 Ordinary Shares of 10p each of J. E. Sanger *Limited. This document contains a profits forecast of J. E. Sanger Limited for the year ending 31st March, 1974.* We confirm that we have reviewed the bases for this forecast with yourselves and with Arthur Young McClelland Moores & Co. and we consider that this forecast (for which you, as Directors, are solely responsible) has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of
HAMBROS BANK LIMITED,
H. C. B. BERENS,
Director.

8. Articles of Association.

—The Articles of Association of the Company contain provisions (*inter alia*) to the following effect:—

1. *Voting.*—Subject to any special terms as to voting attached to any Shares, on a show of hands every member *present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for* every 10p nominal of share capital of which he is the holder.

2. *Borrowing Powers.*—The aggregate amount for the time being remaining outstanding of all moneys borrowed or secured by the Group (apart from liabilities to bankers under documentary credits arising from the purchase of goods in the ordinary course of business and excluding inter-Group borrowings) *shall* not at any time without the previous *sanction of an ordinary resolution of the Company exceed an amount equal to 5 times the adjusted capital and reserves* (as defined in the Articles).

3. *Directors*—

(a) The statutory provisions as to an age limit for Directors shall not apply.

(b) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested and shall not be liable to account to the Company or the members for any remuneration profits or other benefits received by him as a *director or officer of or from his interest in such other company. The Board may also cause the voting power* conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.

(c) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which *the Company is interested (including the arrangement or variation of the terms thereof or the termination* thereof).

(d) *A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any* contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters, namely:—

(i) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;

(ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the Director has himself guaranteed or secured in whole or in part;

(iii) any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares, debentures or other securities of the Company;

(iv) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(v) *any contract or arrangement concerning any other company (not being a company of which the* Director owns 1 per cent. or more of the issued equity share capital) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

(vi) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death of disability benefits scheme which relates both to Directors and employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates;

(vii) *any arrangement for the benefit of employees under which the Director benefits in a similar manner as the* employees.

9. Share Option Arrangements

1. The Company's Share Option Scheme ("the Scheme") was adopted by the Company in General Meeting on 29th November, 1973. The following is a summary of the principal features of the Scheme:—

(i) The Directors of the Company may offer options to subscribe for Ordinary Shares of the Company to *full-time employees (including directors) of the Company and its subsidiaries. The sum of 1p per share* (or such other sum as the Directors may determine) will be payable to the Company upon the grant of each option.

(ii) The subscription price per share payable on the exercise of an option shall be such sum as the Directors may determine on the grant thereof but shall not in any event be less than whichever is the greater of the nominal value thereof and the average middle market quotation ruling on The Stock Exchange of the Ordinary Shares in the fourteen days ended on the day immediately preceding the grant of the option.

(iii) *No option can be granted more than ten years after the date of adoption of the Scheme.*

(iv) The aggregate nominal value of Ordinary Shares issued under options granted pursuant to the Scheme, when added to that of any shares of the Company issued under any other option or incentive scheme approved under the Finance Act 1972 or in pursuance of rights conferred under any such scheme, will *not exceed £50,000 or 5 per cent.* of the nominal value of the Ordinary share capital of the Company for *the time being in issue, subject to adjustment as mentioned in the Scheme.*

(v) The total subscription price of shares which may be the subject of options granted to an employee and not exercised by him is limited to four times his relevant emoluments (as defined in the Scheme) for the current or preceding year of assessment and in applying this limit benefits already granted to or acquired by him under any other incentive or option scheme approved under the Finance Act 1972 must be taken into account.

(vi) Option rights are personal to and are not capable of being transferred by an employee.

(vii) *Options will be exercisable in whole or (subject to such limitations as may from time to time be laid down by* the Directors) in part. Exercise will not be permitted during the first three years of existence of the option except with the consent of the Directors. In the event of an employee leaving the service of the Company or its subsidiaries before exercising his option, his rights will remain capable of exercise for six months if he left the service by reason of the company by which he is employed ceasing to be a member of the Group, injury, disability, ill-health or dismissal for redundancy provided such exercise occurs before seven years after the grant of the relevant option, or if the Directors so agree. No option shall be capable of being exercised after the commencement of the winding up or the dissolution of the Company or after five months after any offer to acquire the Ordinary Shares has become unconditional in circumstances where the offeror is entitled and bound to apply any of the provisions of Section 209 of the Companies Act, 1948. An option is not capable of being exercised more than seven years after its grant, except where an employee dies at a time when an option was still capable of exercise by him: in such a case his legal personal representatives may exercise the option within twelve months of the date of death.

(viii) In the case of certain variations in the share capital of the Company, such adjustments will be made as the Auditors of the Company consider fair and reasonable.

(ix) *The Scheme permits the Directors to make alterations which will enable it to be approved by the Board of* Inland Revenue. The Scheme may also be altered by the Directors subject as provided in the Scheme, which requires, *inter alia*, the approval of the Company in General Meeting for certain fundamental alterations.

2. On the same date as the *Scheme was adopted a Resolution was passed by the Company in General Meeting* authorising the Directors to grant options to full-time directors and executives who because they are not resident in the United Kingdom cannot participate in the Scheme. Any grant of options so authorised is to be subject to the same restrictions and upon the same terms *mutatis mutandis* (or as nearly as possible) as if the options were granted under the Scheme and the limits contained in the Scheme on the nominal value of shares capable of being issued under it is to be *reduced by the aggregate nominal value of shares for the time being issued or to be issued pursuant to* options granted to such non-resident directors and executives.

10. Service Agreements

The following are particulars of the Service Agreements between the Company and the Directors of the Company:—

Director	*Date of Agreement*	*Expiry Date*	*Nature of Appointment*	*Fixed Annual remuneration* £
J. E. Sanger	29th November, 1973	30th November, 1980	Managing Director	15,000
E. L. C. Grant	"	23rd November, 1977	Executive Director	7,000
D. Home	"	30th November, 1980	"	8,500
J. G. Jackson	"	"	"	8,500
J. Sanger	"	"	"	8,000
R. A. Thornton	"	"	"	6,500

It is intended that Mr. R. M. Norton will have a Service Agreement, expiring on 30th November, 1980, under which his *current annual remuneration would be A$20,000.*

No Director is remunerated by a commission on profits.

11. Material Contracts

The following Contracts (not being contracts in the ordinary course of business) have been entered into since 29th November, 1971 and are or may be material:—

(1) dated 29th November, 1973 between the Company (i), D. B. Thompson (ii), the Directors of the Company *(other than J. C. L. Keswick) (iii), MIT (iv) and Hambros (v), being the Contract mentioned in paragraph* 4 above.

(2) dated 29th November, 1973 between J. E. Sanger and D. B. Thompson (i), the Company (ii), the subsidiaries of the Company (iii) and Hambros (iv), being the Deed of Indemnity relating to taxation and estate duty mentioned in paragraph 6 above.

(3)-(8) *dated 29th November, 1973 between the Company (i) and J. E. Sanger, E. L. C. Grant, D. Home, J. G.* Jackson, J. Sanger and R. A. Thornton respectively (ii), being the above-mentioned Service Agreements.

12. Miscellaneous

(a) Neither the Company nor any subsidiary is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

(b) Since 29th November, 1971 save as disclosed herein: (i) no capital of the Company or of any subsidiary has been issued nor is any such capital proposed to be issued fully paid or partly paid either for cash or for a consideration other than cash; (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or of any subsidiary; and (iii) no Director has or has had any interest in any assets acquired, disposed of or leased to or by, or proposed to be acquired, *disposed of or leased to or by, the Company or any subsidiary.*

(c) No Director of the Company is materially interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Group taken as a whole.

(d) Save as disclosed herein no capital of the Company or of any subsidiary is under option or is agreed conditionally or unconditionally to be put under option.

(e) Save for 7-year Service Agreements for 4 overseas executives and as otherwise disclosed herein, no long-term Service Agreements are in existence whereby the Company would be inhibited from making such changes as it might desire in the directorate or senior management of the Group.

(f) Under the arrangements now in force the emoluments of the Directors would amount to £57,500 and A$20,000 in a full year.

13. Consent

Arthur Young McClelland Moores & Co. have given and have not withdrawn their written consent to the issue of this Offer for Sale with copies of their Reports and the references to them included therein in the form and context in which they are respectively included.

14. Documents delivered to the Registrar of Companies

The documents attached to the copy of this *Offer for Sale delivered to the Registrar of Companies for registration* were the written consent mentioned above, a statement of the adjustments made by Arthur Young McClelland Moores & Co. in arriving at the figures set out in their Accountants' Report and giving their reasons therefor and copies of the above-mentioned Material Contracts.

15. Documents for Inspection

Copies of the following documents will be available for inspection at the offices of Norton, Rose, Botterell & Roche, Kempson House, *Camomile Street, Bishopsgate, London, EC3A 7AN*, during normal business hours until 21st December, 1973: *(a)* the audited accounts of the Company for the year ended 31st May, 1972, the 10 months ended 31st March, 1973 and the 6 months ended 30th September, 1973; *(b)* the Memorandum and Articles of Association of the Company; and *(c)* the above-mentioned Reports, Statement of Adjustments, Share Option Scheme, Consent and Material Contracts.

PROCEDURE FOR APPLICATION

Midland Bank Limited ("Midland"), New Issue Department, P.O. Box 518, Austin Friars House, *Austin Friars, London, EC2P 2HU will receive applications*, **which for up to 1,000 Shares must be in multiples of 100 Shares, for between 1,000 Shares and 10,000 Shares in multiples of 500 Shares and for more than 10,000 Shares in multiples of 5,000 Shares. The minimum application is for 100 Shares.**

Application must be made on the accompanying Application Form and forwarded to Midland as above, together with a cheque for the full amount payable on application, so as to arrive not later than 10 a.m. on Thursday, 6th December, 1973. A separate cheque, drawn on a bank or branch thereof in England, Wales or Scotland, payable to *Midland* Bank Limited and crossed "Not Negotiable", must accompany each application.

Hambros reserves the right to present all cheques for payment on receipt, to retain Letters of Acceptance and surplus application monies pending clearance of the successful applicants' cheques and to *reject any application and in particular multiple or suspected multiple applications.* No application can be considered unless these conditions are fulfilled.

Preferential consideration will be given (up to an aggregate *maximum of 360,000 Shares*) to applications (which may be for 50 Shares, 100 Shares or any multiple of 100 Shares) received on the special pink Application Forms available to all employees and all Directors of Group companies other than Mr. J. E. Sanger and Mr. J. C. L. Keswick.

Acceptance of all applications will be conditional on the Council of The Stock Exchange admitting the Ordinary Shares of the Company, issued or to be issued as mentioned herein, to the Official List not later than 12th December, 1973. Monies paid in respect of all applications will be returned if such *condition is not satisfied by that date and in the meantime will be retained by Midland in a separate* account. If any application is not accepted or is accepted for fewer Shares than the number applied for, the application monies or the balance thereof, as the case may be, will be returned through the post at the applicant's risk.

Arrangements will be made for registration by the Company of all Shares now offered for sale free of stamp duty and registration fees in the names of purchasers or persons in whose favour Letters of Acceptance have been renounced, provided that, in cases of renunciation, Letters of Acceptance (duly completed in accordance with the instructions contained therein) are lodged for registration by 3 p.m. on 25th January, 1974. Share Certificates will be issued on or about 22nd February, 1974.

Copies of this Offer for Sale with ordinary Application Forms may be obtained from:—

Hambros Bank Limited,
55 Bishopsgate, London, EC2P 2AA.

Panmure Gordon & Co.,
21 *Austin Friars, London*, EC2N 2ES.

Midland Bank Limited,
New Issue Department, P.O. Box No. 518, Austin Friars House, Austin Friars, London EC2P 2HU.
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Dated 29th November, 1973.

APPLICATION FORM

THE APPLICATION LIST FOR THE ORDINARY SHARES NOW OFFERED WILL OPEN AT 10 a.m. ON THURSDAY 6th DECEMBER, 1973 AND WILL CLOSE AT SUCH LATER TIME ON THE SAME DAY AS HAMBROS BANK LIMITED MAY DETERMINE.

This form, duly completed, together with a cheque (*drawn on a bank or branch thereof in* England, Wales or Scotland) made payable to "Midland Bank Limited" and crossed "Not Negotiable", representing payment in full at the application price, should be lodged with Midland Bank Limited, New Issue Department, P.O. Box 518, Austin Friars House, Austin Friars, London EC2P 2HU, not later than 10 a.m. on 6th December, 1973. A separate cheque *must accompany each application. No application can be considered unless these conditions* are fulfilled. All cheques are liable to be presented for payment.

Applicants are advised to use first-class letter rate and to allow 2 days for delivery.

J.E. Sanger Limited

(Incorporated in England under the Companies Acts 1948 to 1967—No. 948145)

Offer for Sale by

Hambros Bank Limited

of 3,600,000 Ordinary Shares of 10p each at 90p per Share
payable in full on application

★Number of Shares applied for	*★★Amount enclosed at 90p per Share*
	£

★Applications for up to 1,000 Shares must be in multiples of 100 Shares, for between 1,000 Shares and 10,000 Shares in multiples of 500 Shares and for more than 10,000 Shares in multiples of 5,000 Shares. The minimum application is for 100 Shares. No applications for any other number of Shares can be considered and the right is reserved *to reject any application and in particular multiple or suspected multiple applications.*

★★Amounts payable as stated below.

To HAMBROS BANK LIMITED.

Gentlemen,

I/We enclose a cheque for the above-mentioned sum, ★★ being the amount payable in full on application for the stated number ★ of Ordinary Shares of 10p each of J. E. Sanger Limited ("the Company"). I/We offer to purchase that number of such Shares on the terms of your Offer for Sale dated 29th November, 1973 and subject to the Memorandum and Articles of Association of the Company and I/we hereby undertake and agree to accept the same or any lesser number in respect of which this application may be accepted. I/We hereby authorise you to procure my/our name(s) to be placed on the Register of Members of the *Company as holder(s) of such of the said Shares, the right to which is not effectively renounced, and to* send a renounceable Letter of Acceptance in respect thereof, and/or a cheque for any monies returnable, by post at my/our risk to the address given in the box below.

I/We understand that due completion and delivery of this Application Form accompanied by a cheque will constitute an undertaking that the cheque will be honoured on first presentation.

IMPORTANT.—To comply with the provisions of the Exchange Control Act, 1947, the applicant(s) must make the declaration contained in the following paragraph, or, if unable to do so, must delete such paragraph and arrange for this Form to be lodged through an Authorised Depositary* or an Approved Agent in the Republic of Ireland*. No application can be considered unless this condition is fulfilled.

I/We hereby declare that I am/we are not resident outside the Scheduled Territories* and am/are not acquiring the above-mentioned Shares as the nominee(s) of any person(s) resident outside those Territories.

(1)
Signature.. Dated ....1973.

Full Christian or Fore Name(s)
Surname (State Mr., Mrs., Miss or Title)
Address *(in full)*

PLEASE USE BLOCK CAPITALS

(2)
Signature ....
Christian or Fore Name(s) (in full)..
Surname ....
(Mr., Mrs., Miss or Title)
Address (in full)..

(3)
Signature ....
Christian or Fore Name(s) (in full)..
Surname ....
(Mr., Mrs., Miss or Title)
Address (in full)..

Please pin your cheque here

A Corporation may complete under hand by a duly authorised officer who should state his representative capacity.

NO RECEIPT WILL BE ISSUED FOR THE PAYMENT ON APPLICATION, but an acknowledgement will be forwarded through the post in due course at the risk of the applicant(s), either by a fully paid Letter *of Acceptance for all or part of the Shares applied for*, or by the return by cheque through the post of the application money or any surplus thereof.

***Exchange Control Act, 1947**

Authorised Depositaries are listed in the current issue of the Bank of England's Notice E.C.1, and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom, *the Channel Islands or the Isle of Man. Approved* Agents in the Republic of Ireland are defined in the current issue of the Bank of England's Notice E.C.10.

The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

★★Amounts payable on application:

100 shares	£90	400 shares	£360	2,000 shares	£1,800	15,000 shares	£13,500
200 shares	£180	500 shares	£450	5,000 shares	£4,500	20,000 shares	£18,000
300 shares	£270	1,000 shares	£900	10,000 shares	£9,000	and so in proportion	

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POLLUTION

Fumeless aluminium refining

A LOW-COST process to remove excess magnesium without chlorine fume emission during the refining of aluminium alloys recycled from scrap—the Alcoa "Fumeless Demagging" Process—has been introduced by International Alloys, Aylesbury, a subsidiary of Alcoa of Great Britain.

At present, removal of excess magnesium, a necessary step in refining aluminium alloys, is undertaken either by bubbling chlorine through the molten metal when in a holding furnace, or by reaction with fluoride salts. Both methods emit fumes which can only be eliminated by installing costly fume control equipment, while the problem of disposing of the resultant liquid waste remains.

In the Alcoa process, which has been developed over a number of years, fumeless demagging is achieved by effecting a stoichiometric reaction between magnesium and chlorine—that is a reaction utilising all the chlorine content—by multi-stage gas/liquid contacting in a closed reactor-settler tank. Unlike other techniques, the process is continuous, reducing furnace holding time and with molten metal treatment taking place as it flows through the unit. The magnesium chloride produced by the reaction is collected in a pure form, for sale.

The Alcoa process is compatible with existing remelt furnace installations and can be located between a furnace and the casting machine being fed from it. The process also removes oxide inclusions and hydrogen from the molten aluminium; sodium content can be adjusted as required and there is negligible melt loss.

International Alloys is the marketing agent for the process in Britain and all European countries.

The secondary aluminium industry is making a contribution to improvement of the environment by the recycling of scrap which would otherwise have to be disposed of as waste. The Alcoa process is a further step towards cleaner air and, in itself, is an improved recycling method.

Gives lakes new life

FIRST RESULTS of a major effort in lake restoration by the Union Carbide Corporation show that an important step has been taken in the battle to save decaying lakes in the U.S., overwhelmed by pollution.

In three separate projects it was sought to saturate with oxygen the bottom zone of eutrophic, or dying lakes. During the summer, as a body of water stratifies into three distinct zones based on temperature, no surface oxygen reaches the bottom. Nutrients are released, unwanted algae grow and the fish die.

Two separate and distinct techniques were used involving aeration and oxygenation. Two aerators, manufactured by the Atlas Copco Company of Sweden, were placed at two strategic locations on the bottom of one lake and connected with hoses to an air compressor on shore.

In the other system, water withdrawn from the bottom through a pipe was injected with pure oxygen and returned to the bottom of the lake.

This method, developed by Union Carbide, is an alternate aproach to oxygenating the entire lake bottom. It raised dissolved oxygen to 8ppm against 5ppm in the first instance.

● OFFICE EQUIPMENT

Desk-top machine

A PROGRAMMABLE desk-top calculator designed for scientific and industrial use which has a tape cassette unit for program and data storage has been introduced by Hewlett Packard, of 224, Bath Road, Slough, Bucks, SL1 4DS. Programs can be recorded on to or loaded off the 300 ft. 8000 equivalent-register cassette manually or under program control. Cassette control, either from the keyboard or program, is provided by a built-in read-only memory (ROM).

Data can be recalled from a file on the cassette, modified, then restored to the same file without re-writing on a second cassette. The search speed is 130 ft./min. in either direction from anywhere on the tape. Files of different lengths can be recorded on the cassette in any sequence for the most efficient use of the tape.

Problems from simple arithmetic to complex equations are entered and solved just as they are written on paper. Each character, as entered, appears on the 16 digit display and once an entire expression is entered it is executed or stored with a simple keystroke. Each expression or program line can be up to 68 characters.

The basic machine, designated 9821A, has internal memory of 167 registers, expandable to 423, 935 or 1447 total registers. With full expansion, the calculator can solve 70 simultaneous equations with 70 unknowns.

Memory can also be expanded with plug-in ROM blocks—three can be used in the 9821A at any one time. Available are two peripheral control ROMs, a maths block that adds functions such as sine, cosine and tangent, logs and their inverses.

A silent thermal printer is built in to the machine, which can also accept (9821A) up to four peripherals at one time. Up to 13 peripherals can be used with an input/output expander. The basic minimum price of the machine is £2,620.

Keys have double mode operation

THE LATEST in the range of Anita calculators from Sumlock Comptometer, the 202SR, is intended mainly for scientific applications and is being referred to by the company as their "electronic slide rule."

The machine, which is expected to become available at the turn of the year at £105 excluding VAT, has a dual mode keyboard, with each key's second function indicated above it. Using the keys in the first mode the 202SR acts as a calculator performing the four basic arithmetic functions and with a fully addressable memory for storing data or accumulating results.

By depressing a key marked "F," however, the user obtains a new range of facilities enabling the machine automatically to compute natural and common logarithms and antilogs, trigonometric functions, roots and powers for real numbers, and reciprocals.

There is also a special "pi" key and this constant may be recalled for use at any time.

A further facility is that indexed values and results can be added to or subtracted from memory, exchanged with, recalled from or stored in memory. Furthermore the square of a displayed value can automatically be added to memory.

The machine has an eight-digit Digitron display, measures 6.19 x 3.38 x 1.38 inches, and weighs 12 ounces including disposable batteries. A version including rechargeable batteries and a charger will be available at a slightly higher price. Sumlock Comptometer is at Anita House, Rockingham Road, Uxbridge, Middx.

This Krauss-Maffei 125 tonne injection moulding machine at Healy Mouldings in Birmingham is equipped with an extra-hard coated screw supplied on a trial basis by Brookes (Oldbury). Development work continues at Brookes, on shut-off valves as well as screws with the aim of making them last at least ... times as long as nitrided components. The key to the work, which is being carried out in conjunction with the parent company (Tube Investments) research centre at Hinxton Hall, Cambridge, is the successful flame-spraying of nickel-chromium-boron on to the screws and valves, already achieved with barrels.

● MATERIALS

Sealant for wet surfaces

A SEALANT material, capable of adhering to wet as well as to dry concrete surfaces, is being marketed by Sealocrete Group Sales, Home Sales Department, Atlantic Works, Oakley Road, Southampton, SO9 4FL.

Known as Calktite Wataseal and able to be applied under water where site conditions demand, it is designed primarily for sealing concrete joints, but is also suitable for application to glazed earthenware, wood, structural steelwork and other materials in damp or wet situations where joint movement due to thermal or mechanical changes is minimal.

Available as standard in a light grey concrete colour, Calktite Wataseal is supplied in pouring grade (primarily for horizontal surfaces) or non-sag grade (for vertical surfaces, pipe jointing, etc.). Supplied in two separate packs, the contents of which are mixed immediately before use, Calktite Wataseal is touch dry in 24 hours and fully cured within 5 to 7 days.

● ELECTRONICS

Component expansion project

FOLLOWING IN the wake of the current shortage of electronic components, Union Carbide in the U.S. is to spend $6m. at two locations producing components and the materials needed to make them.

The investment is intended to increase production of solid tantalum capacitors by 45 per cent. and monolithic ceramic capacitors by 2½ times at the company's materials plant in Greenville, South Carolina. In addition, capacity for producing single crystal sapphire electronic substrates at the San Diego crystals plant will be more than doubled. Expansion at the two locations is expected to be completed by 1974 and 1975 respectively.

● AUTOMATION

Road Safety consortium down under

PLESSEY and Ferranti have combined to win a major export contract against fierce international competition. Worth £400,000, it covers supply, installations, commissioning and support of a system to provide electronic aids to vehicle drivers and a toll registration system for a new expressway now being constructed south west of Sydney by the Department of Main Roads in New South Wales.

The new expressway will run through a mountainous region liable to extreme weather hazards. Drivers will receive early warning of fog and other difficult road conditions from the new system, which will also provide an emergency telephone service for road users and monitor traffic volume and speed.

Plessey signalling equipment on the expressway will utilise fibre optics for signalling display boards and these will be spaced about a mile apart on both sides of the carriageways with emergency telephones adjacent. To warn drivers of approaching hazards the motorway signal equipment is capable of displaying a full range of alpha-numeric legends, including digits and characters. These will indicate speed limits, weather warnings, lane closures and other instructions.

The control centre, which will direct all warning signs and the telephone system on the expressway, will be equipped with two Ferranti Argus 700 computers. These computers will also monitor and register toll collections and maintain certain statistical records. In the central office expressway control staff will use keyboards to enter signal controls via the computers. Feedback of information to the control staff on the operational state of expressway signals and traffic flows will be by cathode ray tube (CRT) display consoles through the same computers.

Library on twin track film

BEDFORD COUNTY Library has taken delivery of 15 twin track microfilm readers from Technical Indexes of Bracknell. The machines are the type 734, made to the specification of Technical Indexes and are being used in conjunction with computer generated microfilm supplied and updated by Centre-File.

Each of the film cassettes used by the readers contains over 400,000 lines of book titles, shelf and library locations, international references and similar information.

Each branch library has one of the reader units which is used by library staff to locate rare books and in addition by the general public for the quick location of library books.

● HANDLING

Counting the empties speeded up

A NORWEGIAN company has designed an electronic unit which counts empty bottles, as these are fed into it, registers their size, and subsequently—when a button is pressed—delivers a ticket indicating the total value of the bottles returned by each customer.

The machine, which considerably simplifies retailers' problems in dealing with returned "empties," has already been installed in about 60 Norwegian shops, and has aroused considerable interest abroad. Patents for its Norwegian-designed electronic "brain" have been sought in 20 countries.

The machine's designers—Petter Planke A/S, of Asker, near Oslo — have developed different versions of it, including one which can cope with beer cans (sorting them according to the metal in the cans), and another which can accept the special cardboard packs of six or eight bottles which are much used in U.S. retailing.

The machine rejects the cardboard packs if they are not full. Under an agreement with Mead Packaging, Petter Planke is to supply some 500 of its machines a year to the six countries of the "old" EEC. Under another deal, with Norwegian Industries, Inc., it will supply 500 units a year to the U.S. and Canada.

● INSTRUMENTS

Times from microsecond to seconds

WHERE PRECISION timing is essential in industry over a wide range—from one microsecond to ten seconds—the XLD 10 just announced by Exel Electronics, of Wolterton Road, Poole, Dorset, should be found useful.

The timer delivers a nominal two microsecond output pulse delayed by a preset amount from the input trigger signal. Front panel controls alter the delay in one microsecond steps—there are four decade thumbwheel switches and four range multiplier push buttons.

There are two modes of operation, automatic and single shot. Automatic operation permits an output pulse per input trigger pulse, delayed by the selected time. In the single shot mode the unit will give one delayed output pulse for each trigger pulse and will not operate again until reset. During the delay time an indicator lamp extinguishes to show operation.

To power the unit, a low impedance supply of +5V at 500mA is required, and to guard against over-voltage the unit has a protection circuit which trips at 6.5V. Reverse polarity is protected by means of a diode.

Tomorrow these boys will live in a world that Hoechst research is helping to shape today

Building and Civil Engineering

Wimpey to construct ship factory

£6.5m. contract has been awarded to George Wimpey by Sunderland Shipbuilders, a member of the Court Line group, for the construction of a new covered shipbuilding factory on the site of the Old Pallion shipyard on the River Wear.

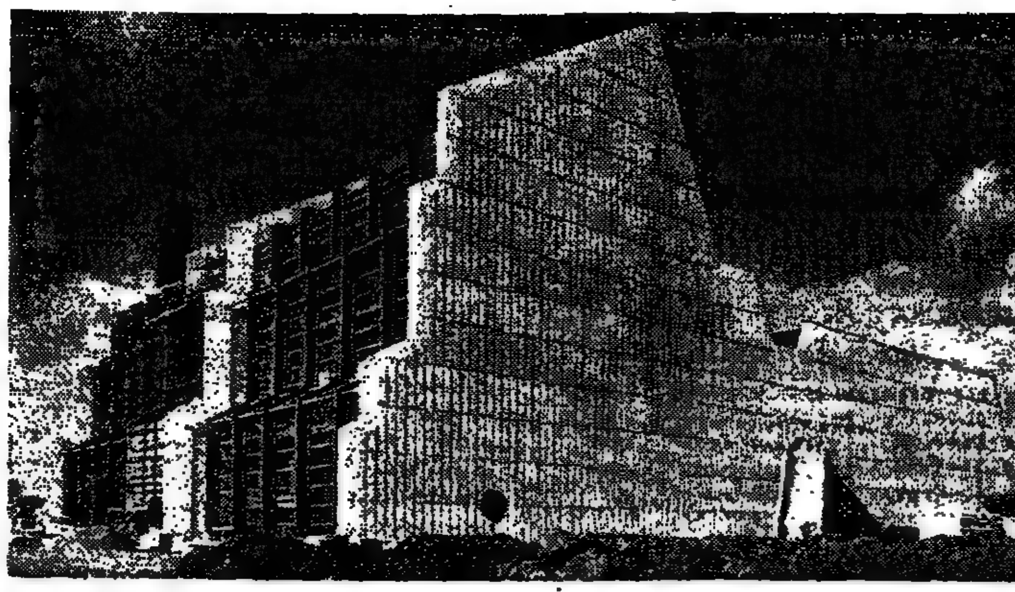
The dock, 180m long by ...m wide by 14m construction depth, will be able to accommodate two vessels of up to 35,000 dwt and will be fitted with a split floating caisson gate. Between the stockyard and the dock, steel will be successively processed through five preparation bays, under cover and thus protected from adverse weather.

The project will involve considerable earthmoving since much of the site is being claimed by cutting back into the steep banks of the Wear, requiring the excavation of 45,000 cubic metres of rock and 100,000 cubic metres of soft material.

Due for completion in the autumn of 1975, the factory must be far enough advanced by January of that year to enable shipbuilding to start within the dock. Consulting engineers are R. T. James and Partners of Newcastle.

Meanwhile the Port of Sunderland Authority has appointed Wallace Evans and Partners, consulting engineers, to undertake a feasibility study of the future development of the port in conjunction with Peat, Marwick, Mitchell, management consultants.

The study is to involve assessment of current and future traffic potential, combined with examination of existing facilities, land resources and finances of the port in its close integration with the town and shipbuilding industry. The study is due to be completed in March 1974.



The brief for the new £15m. Carlsberg brewery at Northampton, designed by Copenhagen architect Knud Munk, was to create "the very best in to-day's Danish architecture" with emphasis given to architectural form and building finishes. The south façade of the brewhouse and energy centre is completely glazed to form a giant showcase for the most dramatic items of plant—the kettles and tuns of the brewhouse and the boilers, compressors and tanks of the energy centre. Ove Arup and Partners were consultant engineers, with George Wimpey as management contractor.

Plastics "arrester" beds

ARRESTER BEDS of urea formaldehyde (UF) plastics foam have been laid by BIP Chemicals at each end of the 21 kms test track for the experimental prototype (APT-E) of British Rail's ...0 kms/hour Advanced Passenger Train.

The beds, which are 275m long and 1.7m high, will halt the 117 tonne locomotive with minimal damage in the unlikely event of total failure of its three independent braking systems during high-speed runs.

UF foam was considered the only effective type of arrester that could be built on the track, which runs from Melton Mowbray to Edwalton on the former Nottingham-Kettering main line.

The beds have sufficient density to apply a deceleration force of about 0.7g and are aligned with the main body structure of the locomotive. To protect its wheels and bogies and make derailment less likely, the core of the beds consists of soft foam covering the railway lines and sleepers and an area a few centimetres above and beside them.

In trials at the Royal Aircraft Establishment, UF foam arrester beds have proved capable of safely halting aircraft overrunning runways after emergency landings or take-offs.

Hovercraft work on Maplin

SINCE early this year, amphibious hovercraft operated by Hoverwork, and built by the British Hovercraft Corporation have been involved in preliminary survey studies in connection with the proposed Maplin Airport/Seaport complex.

The first of these surveys took place in February of this year under contract to Foundation Engineering, in turn working on behalf of the Department of the Environment. The operation—which involved a flat-deck variant of the SRN6 hovercraft—was to determine the geophysical nature of the Maplin Sands sub-strata, in particular the depth of the London Clay, thereby finding a building datum.

One-ton portable rigs using six inch diameter drill pipes were used to core-sample accurately plotted locations. Hoverwork's flat-top SRN6 coped well with these, lifting two rigs, two crews, and all equipment required, with ease. Its fully amphibious capability enabled the survey to be carried out unimpeded by tidal conditions.

The second, most recent, assignment took place between June and September of this year in collaboration with Wimpey Laboratories, again under contract to the Department of the Environment. The craft this time worked in conjunction with Wimpey barge, GW191, carrying a fixed drilling rig, and a hover-pontoon operating in those areas dry for the greater part of the tidal cycle.

The Hoverwork SRN6—again the flat-top—was used geophysically to survey the 8 n.m. x 4 n.m. area, employing electronic recording equipment designed by Wimpey Laboratories. It is estimated that had an amphibious hovercraft not been used for this survey, the operation would have taken nine months as opposed to three months. Over the period in question, the craft achieved nearly 99 per cent. availability and was also used for other duties apart from survey work.

Typical roles included ferrying personnel to and from the barge and hover-platform for the 12 hourly crew changes; straightforward logistic support carrying loads up to 4½ tons; and range clearing in connection with bomb disposal operations.

Computer sewerage

THE U.K.'s first computer-controlled sewerage treatment scheme, which serves the Borough of Motherwell and Wishaw in Lanarkshire, is now officially open.

The scheme consists of a new main sewage works at Carbarns with a processing capacity of 682,500 cubic metres per day of raw sewage and two outlying works at Clyde Park and Coursington. All three works are supervised from a control centre at Carbarns through a computerised telemetry and control system supplied by Serck Controls.

The plant is run on the "management by exception" principle with only information about deviations from normal being presented to the operator, although he has instant access to specific information required by operating selection switches.

The control system will also initially be used to gather data about the performance of the plant in a variety of situations. This will be used by a Strathclyde University research team to study the future design requirements of water pollution control works.

Concrete exhibition

AN EXHIBITION of concrete plant, equipment, materials and products sponsored by the magazines "Concrete," "Precast Concrete," "Concrete Quarterly" and "Magazine of Concrete Research," is to take place next year from April 30 to May 3.

CONPLEX 74 will be held in the Thames Suite of the West Centre Hotel, near Earls Court. During the exhibition, there will be a series of symposia expected to attract a large number of overseas visitors connected with the various aspects of the concrete construction industry, and buyers of concrete plant and products.

CONSTRUCTION OVERSEAS

Trafalgar House boost for Cementation

Trafalgar House Investments, usually described as the property and shipping group, is planning an expansion of its overseas building and civil engineering activities.

Until now, Cementation Overseas Construction, a company within the group's Contracting Division, has concentrated on "package deal" hotels, providing the client with a total service from design and construction to the provision of knives and forks. (Cementation built the Hilton hotels in Teheran, Tunis and Abu Dhabi, and is in the process of constructing another in Djakarta.)

However, the company is about to change its name to Cementation International and this move is intended to mark an extension of its work to more general building and civil engineering projects. In fact the process has already begun with an £8m. new town scheme, involving housing and roads, underway near Muscat, near Oman.

Of Trafalgar's current turnover on construction of about £150m. (excluding Cleveland Bridge and Engineering), perhaps 10-15 per cent. is overseas, but it is envisaged that, as a result of the new policy, this proportion could rise to one third.

Cementation International will initially be concentrating its efforts in the Gulf states where, despite the presence of many other U.K. contractors, the company believes there is still plenty of opportunity, and in Indonesia which has "tremendous potential."

Cementation has tended to operate in countries on an in-and-out basis but as the hotel market is not as easy as it was, the present aim is to become more firmly based in a country, while building on the successful hotel image.

World-wide group

When Trafalgar House acquired the Cementation group of companies nearly four years ago, it was buying what was probably the largest single specialist engineering contracting concern to offer foundation engineering and mineral exploration drilling throughout the world and with local subsidiaries in North America, Australia, India and South Africa—to mention only the more important countries of operation. The mine shaft sinking and engineering manufacturing activities in South Africa now warrant a separate division within the Trafalgar House organisation.

Thus, the reasons for Cementation International's optimism about branching out into civil engineering are not just that the company has the commercial backing of Trafalgar, but that it can, if necessary, call upon almost any expertise from within the group—from foundations to electrical and mechanical services to consulting engineering services.

In addition, the new company will more likely than not have considerable local knowledge and contacts in any area where it decides to tender for work.

An instance might be where Cementation has put up a hotel for operation by the group's Shipping and Leisure division in a particular country. Cementation International could then be in an advantageous position to carry out a larger "package deal" holiday complex in the same area.

A brief look at the Trafalgar House group management structure might lead one to question how a single activity—overseas building and civil engineering—is co-ordinated within the group when so many relevant companies are scattered throughout several divisions.

The answer is considerable flexibility of communication between the three main subsidiaries involved—Cementation International, the Cleveland Bridge and Engineering Company and Cementation Projects—which will act as management contractor or do project management either in the U.K. or overseas.

The expansion of Cementation International is likely to lead to increasingly closer links between the three companies, but particularly between it and Cementation Projects.

The latter can provide a single source of responsibility on multi-discipline contracts involving both group resources and, where necessary, external specialists.

In North Africa, Cementation Projects is co-ordinating an offer by an international grouping which has developed specialised techniques for the storage of liquid gas—this sort of job involves a multiplicity of specialist subcontractors, perhaps accounting for a third of the value of a contract, and these subcontractors may well have a design responsibility. Another example of Cementation Projects' modus operandi is in Nigeria where the company, in conjunction with local interests, is co-ordinating a major road works contract involving the upgrading of 60 miles of highway.

Once Cementation International begins to take on big civil engineering, multi-discipline work, there will clearly be a need for close co-ordination to ensure that the two companies maintain their separate identities. Project management is considered a particular field for which—from an internal point of view—specialists are needed.

Although Cleveland Bridge and Engineering is above all known for its bridge construction (it has just completed the Bosporus road bridge linking Europe and Asia and is nearing completion of the Rio Niteroi bridge in Brazil), the company is open to do other structural steel engineering abroad, although it is not presently so engaged. Suppose Cementation International won a power station contract, then Cleveland might be subcontracted to design, fabricate and erect the necessary steelwork.

So far as bridges are concerned, Cleveland says noises are being made by Turkey about the possibility of a bridge across the Dardanelles. The U.K., after the technical success of the Bosporus, would be a strong contender for such a project. Another possible bridge in which Cleveland would be interested—undoubtedly as part of an international consortium—would be across to Sicily from the Italian mainland. The Canadians could also decide to build a major new suspension bridge.

Trafalgar House is somewhat different from the other companies looked at in this series, and the company itself emphasises the point, in that it is basically a property company which has gone into construction, whereas other major U.K. contractors overseas are first and foremost construction companies who subsequently may have set up a property division.

It remains to be seen how the more commercial approach claimed by Trafalgar—which intends to avoid the sort of highly competitive World Bank contracts such as killed Mitchell Construction—fares in the increasingly competitive business of international construction contracts.

JOHN DARLINGTON

Brent river work by Tarmac

AMONG £2m. worth of orders for Tarmac Construction is a £¾m. contract won by its company, Fitzpatrick and Sons, for the fourth stage of the River Brent flood alleviation scheme and the Wealdstone Brook improvement.

The project, for the Greater London Council, will take 18 months and includes duplication of about 100 metres of the river channel as a reinforced concrete culvert. Consulting engineers are Binnie and Partners.

Tarmac Homes, the company's housing division, has a £812,000 order from the Borough of Crewe to modernise 212 houses on the town's Claughton Avenue estate.

Initiating codes of practice

IT IS perhaps not well understood that the British Standards Institution and all its code committees are receptive to—and wish to encourage—the constant submission from any source of ideas, in addition to those which have been formalised.

The point has been made by the Department of the Environment commenting on the report of the Merrison Committee on steel box-girder bridges published last September, which drew attention to the problem of initiating codes of practice in civil engineering.

Individuals involved in building and civil engineering technologies, and even members of the public, have the right to submit proposals to the BSI which will be considered in the same way as those from learned institutions and industry.

Agreement on this aspect of the report was reached at a recent meeting between the BSI, the DoE and the Institutions of Civil and Structural Engineers.

Scaffolding course

A SAFETY training course for those responsible for scaffolding in factory or process engineering locations is now being offered to outside organisations by the Laing Safety Training Centre at Borehamwood, Herts.

Laing is offering a three day programme for up to eight personnel from one company, broadly covering design and erection of putlog, independent, birdcage and cantilever scaffolding. This course, like others run by Laing, has been approved for grant purposes by the Construction Industry Training Board.

Further details may be obtained from A. E. Cook, Safety Training Officer, John Laing and Son Limited, Page Street, London, NW7 2ER.

Convection heater

AN ELECTRIC natural convection heater, which provides freeze protection and anti-condensation in all types of small buildings, has been launched by Bray Chromalox of Leicester Place, Leeds. It is particularly suitable for isolated valve and pump houses, relay stations, outbuildings, barns, garages, kiosks and construction sheds.

The heater is suitable for horizontal wall mounting at any height, with the thermostat knob at either end, and mounting brackets as part of the unit. It is supplied at 240V 500W, but can be field wired for 120V.

In brief

A £1.9m. contract has gone to Costain Civil Engineering in connection with the Thames Bank Raising from the Greater London Council Public Health Engineering Department.

WHYATT Builders has won a £1.4m. contract for the erection of 108 flats and maisonettes and a sheltered home for the London Borough of Tower Hamlets.

SHEPHERD Construction is to reconstruct the University of York's biology laboratories, damaged by fire last March, at a cost of £450,000.

WREKIN Construction Company, part of the Murphy Group, is to build a £600,000 bypass of Abermule and Brynderwen Bridge in Montgomeryshire for the Welsh office.

ELI LILLY AND CO. has awarded G. Percy Trentham a £1.1m. contract for the construction of a factory at Basingstoke, Hants.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

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Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 .... 678 3314

New York: 99 Wall Street, NY 10005 Editorial—212 944 5257/8 Circulation—212 972 9883 Advertising—212 MU8 7770
Washington: Second Floor, 1325 E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 385 Ont. 4 Charles St. E. 416 921 5578
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MONDAY DECEMBER 3 1973

Whitelaw's new role

THE Prime Minister's long-awaited reshuffle of his administration turns out, for the time being, to be almost the minimum that the present extremely uncomfortable situation requires. A large-scale reorganisation has been put off to a later stage either because Mr. Heath believes that one major upheaval at a time is enough or, as some of his colleagues suspect because he is a surprisingly tender-hearted "butcher." The immediate essential was to get Mr. Whitelaw back from Northern Ireland—not because the position in Ulster is even now such that he can easily be spared, but because his particular talents are needed more urgently in the field of industrial relations. From this major move the rest (apart from the minor readjustment resulting from the resignation of Lord Eccles) follows. A billet at the Treasury has had to be found for Mr. Maurice Macmillan, whom Mr. Whitelaw has replaced, and the chief whip, Mr. Francis Pym, the second-rank figure with the most generous allocation of Mr. Whitelaw's emollient wiles has been sent to Belfast.

Of the last two moves not a great deal need be said. Mr. Pym has been an able and popular chief whip and though the politicians he will have to deal with in the new Northern Ireland Assembly are considerably less tame than he has been used to at Westminster, he has the right qualifications for a mediatory role. Mr. Macmillan has turned out to lack the political weight needed in a crisis of the present magnitude but he was a quiet success as Chief Secretary at the Treasury and his return there with Cabinet rank will free the Chancellor's hands for broader political functions.

Approval

There can be only approval of Mr. Whitelaw's posting. The new Secretary of Employment may not be the most experienced administrator in the technical sense or the most serene of statesmen, but he possesses the political gift, all the more priceless because it is so rare in the present Government, of being able to impose a personality upon events. His particular mixture of earnestness, patience and affability has been turned into a formidable persuasive instrument during the past few years and one has felt a sense for some months that however well this weapon was working in Ulster it was to some extent being kept from its potentially most effective use.

Mr. Heath is presumably hoping that its application to the labour scene will have three main effects. In the short run, Mr. Whitelaw will be expected to hold the line on Stage Three for the rest of the winter. The queue of claims coming up behind the miners is long and powerful, and since many of its members—notably the railwaymen and the electricity supply workers—are public-sector employees, the conflict with Government is likely to be particularly acute. Although the Chancellor is apparently to continue his overall responsibility for prices and incomes policy, Mr. Whitelaw will tend as his deputy in this sphere and a powerful politician in his own right, to become the natural court of appeal in these disputes. The resulting set-up, similar to the old Ministry of Labour, imposes great strain upon the Secretary of Employment, but it relieves that on the Prime Minister and the Secretary for Trade and Industry and centralises responsibility. In present circumstances it is a sensible arrangement.

Objective

But in addition to this immediate objective there are two other important aspects of Mr. Whitelaw's task. One is the need to hammer out some longer-term relationship with the unions. Something will have to follow Stage 3, and since that something will necessarily have to rely still more on the willing co-operation of trade unionists than the first three stages, some new twist to the dialogue is urgently required. Finally, there is the more strictly political business of maintaining communication with the country. The shift of responsibility for Government information services from Mr. Robert Carr to Lord Windlesham is perfectly reasonable as a technical solution to the problem of relieving an over-burdened Home Secretary. But the fact is that what the Government has been missing both from the national and the party point of view is a politician at the centre with the flair and opportunity for putting across the Government's strategy to the public and also of interpreting the public mood to his colleagues. It is in this role that Mr. Whitelaw, with his prestige, his natural persuasiveness, and the public exposure which a Secretary of Employment can normally command, should make an additional, and major, contribution.

A timely visit to Moscow

ON the face of it Sir Alec Douglas-Home's visit to Moscow which gets under way to-day is a sign that Britain and the Soviet Union have decided to forget the expulsion of 105 Soviet diplomats from London in 1971 and wish to have a constructive dialogue. But while the Russians and the British have much to talk about on trade and political relations at the bilateral level, Sir Alec's trip has taken on a broader significance in the light of recent developments in East-West relations.

Far from creating a new and relaxed atmosphere between East and West Europe, the success of Moscow's American policy, culminating in Mr. Brezhnev's visit to Washington last summer, has provoked suspicion and fear in EEC capitals. Even the French who have long prided themselves on their independent policies, particularly towards East Europe, have begun to call for greater co-ordination of defence policy and have urged the countries of the EEC to make fresh efforts to establish themselves as a third power in world politics. Herr Brandt, too, despite the possible risks to his Ostpolitik, has been speaking strongly in favour of West European integration.

The damage from the Soviet point of view was compounded by the Middle East war which brought home to the members of the EEC how little influence they wielded over world affairs and, in spite of differences in their views, made them recognise the need to get together over foreign policy. The war also aggravated relations between the EEC and the U.S. but any satisfaction the Soviet Union may have derived from this was extinguished by the knowledge that it too, like the Americans, now had a European policy problem on its hands.

Stronger walls

It must have occurred to Soviet leaders that the best way to stop the EEC building stronger walls around itself is not to act provocatively or secretively but to gain the confidence of West Europeans with well-reasoned and more open diplomacy, and thereby remove some of the incentive they have to close ranks. This is why the Russians will welcome the opportunity presented by Sir Alec's presence in Moscow for gaining the trust of a leading exponent of the idea of political co-operation within the EEC.

It is unlikely of course that anything the Russians say to Sir Alec will persuade him or other members of the EEC to retreat from the positions they have all now so firmly taken. But if the Russians do shift from confrontation to conciliation over the defence co-operation question, this would imply a deeper acknowledgement of the political (as opposed to economic) reality of the EEC than they have yet made in public.

For his part Sir Alec must welcome this chance to state West Europe's views calmly and clearly when there is a danger that the alarm bells which are ringing on both sides of the Iron Curtain will make ordinary speech difficult. It is obviously not in the West's interests to add to the Russians' nervousness at a time when the European Security Conference and the troop reduction talks appear to be making progress.

As NCB sales hopes rise, the miners' overtime ban is pushing its deficit over the statutory limit

Coal: unpalatable decisions the Government must take

By HAROLD BOLTER, Industrial Editor

BECAUSE of the miners' overtime ban the National Coal Board will reach its statutory deficit limit of £50m. in January, on current trends, although it does not have to account for the situation until the end of its financial year on March 31. If this happens, it will have to ask for the deficit limit to be raised by Order to £100m., as provided for in the Coal Industry Act, 1973, or raise its prices, or possibly both. This will create a difficult political situation for the Government. On the one hand, its relations with the coal industry will have been soured by the miners' present militant stand, however it ends, particularly as all the NCB's debts were written off only eight months ago as part of the biggest package of aid ever provided for a nationalised industry. On the other hand, Britain badly needs a viable coal industry.

The tragedy is that the coal industry is now slipping into another demoralising and potentially destructive deficit at a time when there are real grounds for believing that it could be poised to take advantage of the biggest marketing opportunity it has had for at least 20 years. At long last, the NCB's traditional argument that Britain needs a secure and indigenous source of energy makes sense and there is a real chance for the industry to expand, or at least stabilise, rather than contract.

Cancelled debts

This was clearly part of the Government's intention last December when it produced a programme of help for the National Coal Board which cancelled £200m. of its debts and wrote down the value of its assets by £275m., saving £45m. a year in interest and depreciation charges, and agreed to make grants which could be worth as much as £720m. over a five-year period.

The Government decided to take this action for two main reasons: first, there was a danger of heavy redundancies among the NCB's labour force, which then stood at 280,000; and, second, it was concerned about the danger of a world shortage of energy resources developing by the early 1980's and about the uncertainty which surrounded the future price of fuels.

Events have shown that the Government was right to be worried, although its worst fears about the world energy situation are being realised about seven years earlier than it anticipated. But although there were good reasons for giving the industry the help it did, the Government clearly had qualms about providing subsidies which worked out at about £1 for each ton of coal produced, or £550 for each employee for each of the five years of the aid programme, especially as the industry had just emerged from a national strike.

The Government looked for assurances from both management and unions that the coal industry would try to put its own house in order after a divisive dispute, in return for support on this scale. As Mr. Peter Walker, the Secretary for Trade and Industry, said at the time: "Such substantial assistance from public funds cannot be justified without effective and sustained efforts by all sides of the industry to improve its competitive position, contain costs and re-establish viability."

Arbitration machinery

At the time, the unions did at least agree to try to improve productivity in the mines and to give the industry's arbitration machinery, which had been ignored during the national strike, a proper chance to work. For his part, Mr. Derek Ezra, the Coal Board's Chairman, told the Government that he thought the industry should break even in 1973-74, after losses of £156.9m. in 1971-72 and a deficit of £83.3m. in 1972-73 on a turnover of £1,033m.

There were three main reasons for Mr. Ezra's optimism. Morale was improving at the start of the current financial year; the industry stood to benefit from the £45m. savings in interest and depreciation charges brought about by the cancellation of its debts; and the NCB was allowed to raise the price of industrial coals by 7.5 per cent. from July 1 this year, providing the NCB with more than £40m. a year in extra revenue. As recently as the end of July, Mr. Ezra was still reasonably confident that the Coal Board could meet its break-even target this year, without further price rises. But not now.

To have any hope of breaking even the industry needed to produce coal at the rate of 2.6m. tons a week from late September through to the end of next March, taking advantage of the demand created by the winter. This was particularly necessary as the financial year did not start too well. The incidence of annual holidays, together with growing unrest as the pressure built up in some areas for a confrontation with the Government over the Stage Three pay restrictions, kept production down to not more than 2.3m. tons at any time and below 2m. tons a week in some weeks.

At the moment the industry's output is running at a bare 1.7m. tons, and the situation is obviously getting worse as the miners' overtime ban bites. In other words, production is very nearly 1m. tons less than is needed and, as the NCB estimates that each missing ton of coal means a loss of £5 in revenue, even after taking account of the savings associated with a reduced operation, there is a true loss approaching £5m. a week.

This situation is particularly galling for the Coal Board's marketing men. Until the start of the current financial year their biggest market, electricity generation, used about 58m. tons of coal a year. But as part of the subsidy system provided for under the Coal Industry Act, 1973 the Central Electricity Generating Board agreed in April of this year to take about 65m. tons in 1973-74, with the extra 7m. tons of coal subsidised at a cost of nearly £13m. The attitude of the CEGB at that time was that it was doing the National Coal Board a favour.

Now, however, the CEGB is saying that it would like to burn around 72m.-73m. tons of coal in its power stations this winter, having reduced its oil usage by 20 per cent. voluntarily—if it can get the coal. The Generating Board has just made arrangements to import 1m. tons of coal from the U.S. and Poland because of the short-fall in supplies from the Coal Board.

But it is not only the oil shortage which is causing excitement among the management of the Coal Board. The way prices have moved over the last three months also gives them every reason to believe that this market, their most important one, could grow fairly rapidly, even if the Middle East crisis is brought to an end and normal oil deliveries are resumed.

In August of this year the CEGB was paying a price for coal produced at the NCB's efficient central mines in the East Midlands and Yorkshire which worked out at a delivered cost of 2.85p per therm, while coal from the peripheral coalfields of South Wales and Scotland cost 3.85p. The price of oil to the Generating Board at that time is estimated by the NCB at about 2.5p a therm, although the CEGB never discloses publicly what it is paying.

By the following month, September, the price of oil had gone up to 3p a therm, while coal prices stayed at 2.85p and 3.85p. In other words coal produced at the central pits was cheaper than oil for the first time. In October, the relative prices were still 2.85p and 3.85p for coal, but 3.25p for oil. And now, according to the Coal Board, the CEGB must be paying as much for its oil as it is for coal from the peripheral pits, and perhaps more.

Strongest position

In the past the CEGB has always been able to wave a big stick at the NCB management merely by suggesting that more oil would be used in Britain's power stations if the price and supply of coal was not right. This is no longer possible. If the Coal Board is right in its belief that the price which the Generating Board pays for oil is at least 1p a therm higher than it pays for coal from the U.K.'s best pits and probably more, it means that for the first time since the mid-1950s the NCB itself has a lot of headroom on pricing. According to some of the Coal Board's marketing executives the price of coal from the central fields could be raised immediately by as much as £2 a ton—the equivalent of less than 1p per therm—without disturbing the present demand for coal from the CEGB. Be that as it may, the coal industry is clearly in the strongest position it has been in for at least 20 years.

It is as well to remember, however, that although the Coal Board has theoretical price freedom as a member of the European Coal and Steel Community, the Government still has an over-riding influence on the way nationalised industry prices move, particularly during a period of price restraint. Traditionally, the Government has allowed the Coal Board to adjust prices only once a year and that would mean no more increases until next July. Whether this general rule will continue to apply as the NCB financial position deteriorates remains to be seen.

The domestic market

The coal industry is also experiencing a heartening resurgence of interest from customers in the general industrial sector of its market, which takes some 15m. tons of coal a year, and from the domestic market, which uses some 20m. tons of coal a year. Audits of Great Britain recently reported the first increase for 15 years in coal's share of the central heating market.

It should be emphasised, however, that the Coal Board will have to carry out considerable investment simply to sustain production at its present level of around 136m. tons. Investment has been very low for over a decade, and some new expenditure will have to be used solely to replace worked-out pits.

Nevertheless, with the discovery of new resources such as the reserves of some 500m. to 600m. tons of coal found at Selby, in North Yorkshire, and other potential new seams at Ramby, in North Nottinghamshire, and Cannock Chase in Staffordshire, the coal industry should be able at least to stabilise production at about 136m. tons a year and possibly even expand on this figure.

The Government is obviously aware of the NCB's worsening financial position and will have to take some sensitive decisions very soon. It will obviously not want to give the impression that it is giving further help to the coal industry to allow the NCB to pay the miners more than is provided for in the Stage Three counter-inflation policy, so it will almost certainly not make a move until the present overtime ban is over. Unpalatable as the decision may be, however, it does appear that the Coal Board will have to be allowed to increase its deficit limit or raise its prices. The energy supply situation has changed that dramatically over the past year.

MEN AND MATTERS

Heath's man for Ireland

The past records of William Whitelaw and of Francis Pym, the man who succeeds him in Northern Ireland, may seem too similar to be just a coincidence. Both are landed farmers, enjoying a like education (Eton and Magdalene, Cambridge for Mr. Pym; Winchester and Trinity, Cambridge for Mr. Whitelaw). Both had good war records—Pym getting an MC and twice mentioned in despatches in the 9th Lancers. Both made their political mark as Chief Whip, Mr. Pym being Mr. Whitelaw's deputy for three years. Having seen Mr. Whitelaw's Irish success, Mr. Heath seems to have chosen the man to follow him from the same mould.

As yet, Mr. Pym does not have the weight that Mr. Whitelaw takes with him to be Secretary of State for Employment. But faced with one of the toughest whipping jobs ever undertaken in the Commons—to get the European Communities Bill through—Mr. Pym emerged victorious and with less scars than many had predicted. Although capable of braying at opponents and generally making a row at times—his exultant shout of "Aye" as the motion for the third reading of the Industrial Relations Bill was put to the Commons provoked some controversy—his usual manner is quite different. He is a short man with a worried look, and generally gets his way by quiet consultation rather than taking a rigid line or threatening vengeance on recalcitrant Backbenchers.

Since he has been a Whip since 1962, the year after becoming an MP, and therefore without departmental experience, the Irish post is, in one sense, the neat way to promote Mr. Pym into the Cabinet from the top of the second rank in the Tory hierarchy: the job is almost entirely political rather than administrative. His baptism in the new role comes on Thursday, with the tripartite talks between the British and Irish Governments and the Northern Ireland Executive on the creation of a Council of Ireland.

Should Mr. Pym prove as wise a choice for Northern Ireland as was Mr. Whitelaw, then it would be another political achievement in a family full of politicians. There are five MPs in the direct line, others by marriage. The most famous, the John Pym who led Parliamentary opposition to Charles I, is one of the least direct ancestors. Perhaps that is as well, since that Pym spent much of his time in religious bickering, against the Puritans on one side and the Catholics on the other.

Schroders' threesome

Has ever a merchant banking group dominated the City's top jobs in quite the way Schroders will from January 1, when, as announced yesterday, Michael Verey becomes chairman of the Accepting Houses Committee? To add to this influential, as well as prestigious position, we have ex-Schroder men as governor of the Bank of England (Gordon Richardson) and director general of the City Takeover Panel (John Hull).

Verey has been 40 years with the bank, and the ties go back further, his father having been a friend of the original Wagg of Helbert Wagg. It was when Richardson was appointed Governor of the Bank earlier this year that Verey stepped up to become chairman of Schroders. In the Accepting Houses job, he will succeed Lord Harcourt, who retires at the same time from the chairmanship of Morgan Grenfell Holdings.

What would happen should, in the course of a bid, Schroders as advisers to some company violently disagree with a Takeover Panel ruling and the Bank of England had to step in to keep the peace? Well, at least they would all understand each other.

L & C's empty Jersey office

One sad aspect of the London and County story is a building standing empty in Hill Street, St. Helier, one of Jersey's main banking thoroughfares. It has been empty for at least 18 months, since being converted for use as the offices of London and County (A and D) (Jersey) Ltd., registered in 1969 as a local subsidiary of the banking group.

To the company's annoyance, even though it had its offices ready, Jersey's finance committee refused it a licence to operate (to be fair, several other applications have been turned down lately). Senator Cyril Le Marquand, president of the committee, said at the time: "Having looked at the company, we decided against giving them a licence." He would not say anything more. London and County (A and D) lodged an appeal against the refusal of the licence with Jersey's Royal Court, but it is understood from the Commercial Relations Office that the case has not been pursued.

The office in Hill Street looks rather ghostly, with the black polythene sheeting that covered the bank's name partly torn away. Perhaps there will one day be a new name to put up; meanwhile, the reason why London and County has held on to the offices, whether in the hope of one day getting a Jersey licence, as an investment or simply out of determination, remains a local mystery.

Tut in Moscow

Tutankhamun continues his travels. The exhibition which did so well in London last year is now in Moscow. Huge crowds are expected when it opens on Friday, but there has already been some drama about its arrival.

Shipment of crates containing the 50 exhibits including the famous gold mask was carried out as a military operation. Two aircraft on unscheduled flights left Cairo unannounced and flew to an unnamed destination in Russia, whence they were transported by covered trucks to Moscow. According to Izvestiya, this was because the Russians feared the Israelis would hijack the planes or even shoot them down.

Now safely in Russia, the exhibition will stay there for a year, touring Leningrad and Kiev. Observers feel it unlikely that the Chinese exhibition, at present in London, will be offered as a follow-up.

Frying tonight

Question: Why are so many fried potatoes eaten in Wiltshire? Answer: Because they have Devizes for Chippenham.

Observer

JPK110' 50

Road Haulage

Financial Times Survey

Road Haulage

Financial Times Survey

Oil adds to problems

By COLIN JONES

The past year has yielded its crop of anxieties and setbacks for hauliers. But none of them compares with the implications of the present oil situation. Few hauliers doubt by now that oil will soon be formally rationed. Indeed, most would regard rationing as far preferable to the present somewhat rough-and-ready allocation system. The big questions—and the big uncertainties—are how severe might rationing be and how long might it last. At this stage no-one is in a position to answer either question.

Certainly, if and when rationing is introduced, hauliers can reckon on their basic allowance being less than their current allocation—and much less than they would normally be using. It also seems reasonable to assume that rationing would probably have to be retained for at least a while after the oil starts flowing normally again from the Middle East—whenever that does happen—in order to give the oil industry time to gear up its distribution, refining, and storage facilities to a normal rate of operation again.

Obviously a good deal can be done to conserve fuel. A certain amount of load consolidation, and even pooling, is already taking place. Attention to driving standards, vehicle maintenance, routeing and optimum speeds—which vary according to the specifications of vehicles—can also help to promote economy. The State-owned National Freight Corporation, which is the largest haulage group with about 5 per cent. of the total freight market and about 10 per cent. of the market for road haulage services, has already appointed special fuel controllers in each of its 50 operating companies, and has also announced prizes for drivers achieving the highest mileage per gallon.

But there is a limit to which the use of road transport can be saved. The absence of the old legal distinction between commercial haulage and "own-account" fleets will be of some help, compared with the last experience of peacetime rationing of oil in 1956-57. But few "own-account" operators have made serious moves into the hire and reward field since the licensing system was changed in 1969. The different characteristics of an own-account operation and the marketing and administrative problems involved in venturing into the hire and reward business are also likely to limit the possibilities for a significant number of ad hoc pooling or co-operation arrangements between the two sectors now.

Likewise, both hauliers and own-account operators will want to make the maximum use of the largest vehicles in their fleets so as to stretch out their fuel ration. But the exigencies of an oil shortage are unlikely to make much of an impact upon those who oppose the full use of large lorries and the manufacture and operation of even bigger ones. Nor are many local authorities likely to be persuaded to relax for the time being some of their traffic regulations, like lorry diversions, bans, and loading and unloading restrictions, in order to assist the cause of oil conservation. At least, this does not yet seem likely.

Nor is there all that much room for shifting freight traffic on to the railways. British Rail has some spare capacity which could be utilised in the short-term. But is is limited or non-existent on many of the most heavily used routes and, in addition, to suffering from a manpower shortage, the railways would also be affected by a severe oil shortage. Something like four-fifths of their services run by diesel motive power units.

Moreover, the total volume of road freight movement which could theoretically be transferred to rail would neither be the most economic in cost terms nor necessarily the optimum in terms of fuel saving. The limited number of rail access points—goods depots and stations receiving freight—and the inappropriateness of the rail route network to the distribution requirements of many industries could well mean more fuel being used on road collection and delivery services to and from rail-heads than the amount saved by using rail for the trunk haul.

Indeed, it is possible that a period of oil shortage might help to bring the current debate on the environmental implications of road transport back into better balance, although it may seem somewhat tactless to say so at the present time. Nevertheless, it is true that many of the things said about the potential of the railways, the "wastefulness" of road transport, the "virtues" of smaller lorries, the urban traffic problem and ways of dealing with it, and so on, have either been wildly impracticable or downright nonsensical. Only last week, the House of Commons Select Committee on Nationalised Industries reported that they were disturbed to discover that the year-long public debate on the EEC axle and vehicle weight proposals had been "based on inadequate information."

The Committee said that they believed it had not been "generally appreciated that vehicles with a 40-tonne or 35-ton weight need not be larger than lorries already permitted under the regulations currently in force in Britain." Moreover, "whilst there may be general agreement that it is variations in the numbers and weights of axles which cause the greatest variations in road wear, little research appears to have been authorised which would enable those responsible for making important decisions in this field to base such decisions on hard documented evidence."

State of deadlock

Whether this will have any impact upon the British Government's stance on the axle weight issue remains to be seen. The latest Council of Transport Ministers meeting in Brussels ten days ago ended in as great a state of deadlock as before. The matter was again held over to the next meeting of the Transport Ministers next year, and with it was also postponed the question of a fairer share of the Community quota of haulage licences for Britain and the two other new EEC member countries since France, not surprisingly, is maintaining its "tit for tat" attitude to the two issues.

Still, there are some grounds for encouragement over the possible future course of the Community's common transport policy. The paper put up by the Commission at the last Ministers' meeting not only demonstrated a realisation of the need for a wider approach to the transport sector but was also imbued with a somewhat more "liberal" attitude. The old idea of basing transport policy on road and rail alone without also considering the contributions made by the airlines, sea transport, pipelines and the ports had disappeared. And the idea of trying to maintain a framework of detailed control over transport capacity and charges had virtually given way to a more limited concept of intervention—at least as a longer term objective.

The influence which many people thought might result from the Community's enlargement, and the changes among the Commissioners and their senior staff last January, may perhaps be already beginning to show through. But U.K. hauliers and others who had been made anxious by the philosophy underling the Community's previous approach to transport policy should not be too optimistic.

The Community's policy emerges out of a process of "continuing dialogue" between the Commission, as representing the Common Market idea, and the Council, which remains the guardian of national interests. It is these national interests that have been largely responsible for the Community's relatively slow progress so far in the transport sector. The Commission's thinking may be becoming more congenial to British ideas about transport policy and regulation. But progress in translating its proposals into action may continue to be as slow and as chequered as in the past.

Union pressures

By JOHN WYLES, Labour Reporter

Increased union pressure for company pay agreements has been among the most significant developments of the past year of wage bargaining in the road haulage industry.

The main impulse for the pressure has come from a mounting dissatisfaction with the level of awards made by the Road Haulage Wages Council, which sets the minimum pay rates for the industry. This culminated in union representatives twice walking out of council meetings towards the end of last year.

The boycotts and subsequent statements by Mr. Ken Jackson, national road haulage secretary of the industry's largest union, the Transport and General Workers, along the lines that the Council's "only function is to hold down wage rates to the level of social security minima" created the impression of total union hostility to the Council and of unequivocal support for its abolition.

But in fact union attitudes to the Council are a good deal more mixed. Though the existence of the Council is a continual reminder of the lack of comprehensive union organisation among road haulage drivers, neither the unions nor the employers seem in a strong enough position to create the national bargaining machinery with which to replace it.

It is difficult to offer an analysis of the size of the organising task facing the unions since there are few facts and figures with which to build up a profile of the industry. The Road Haulage Wages Council is none too reliably estimated to cover about 220,000 drivers many of whom are employed by small firms, known as "fours and fives" because of the numbers of lorries they own.

One estimate has put the number of drivers who are paid at minimum Wages Council rates as 10 per cent. of the total and it is reckoned that half of the 220,000 are trade union members.

Union dissatisfaction with the Council boiled up towards the end of last year when the 24 employers representatives and three independents fixed an award of £2.40 a week increases on basic rates in response to the union's demand of more than £7. The Council's procedures then were caught up in the Government's pay freeze and Stage Two legislation so that eventually the Pay Board rules that the rises must be trimmed to £1.72 to £1.82 a week to conform with the £1 plus 4 per cent. limit.

These rates were eventually established by order of the Secretary of State on October 29 of this year. They set the minimum rate at £19.72 a week, rising according to the tonnage size of vehicles driven to £22.70 a week.

These rates were rejected by the unions as wholly inadequate, and the TGWU, which claims a membership of more than 200,000 drivers, urged its members to seek pay deals at company level.

In the large companies where the unions are well organised, pay rates bear little relationship to the Wages Council minima and are obviously partly responsible for boosting the average earnings figures recorded by the Department of Employment which stand at £39.40 for a 54.7-hour week.

The pace in company bargaining tends to be set by the Midlands where the TGWU's energetic regional trade group secretary, Mr. Alan Law, has claimed a couple of coups this year. The first of these followed the lengthy strike by British Road Services drivers who were demanding special payments for possession of their heavy goods vehicle (HGV) licences.

Although the settlement of the strike was rung up as a victory for the union's campaign for HGV licence bonuses, similar challenges were not noticeably issued elsewhere and later in the year the TGWU reached individual agreements with several West Midland haulage operators which established minimum rates of pay for drivers holding HGV licences.

These were way above the Wages Council levels and ranged from £27.90 a week at the bottom to £30.75 a week for drivers of the heaviest vehicles. Later, Mr. Law trumpeted an agreement with a Birmingham haulage firm which set a basic rate of £44 with guaranteed weekly earnings of £63 to £67.25 a week.

Quite apart from union pressure, haulage operators are feeling more and more obliged to offer competitive wage rates because of the industry's increasingly chronic shortage of drivers—particularly of heavy goods vehicles.

As the Road Haulage Association's magazine "Road Way" pointed out, the industry had catapaulted from a surplus to an acute shortage of heavy goods vehicle drivers in just 18 months. The main lesson was, of course, the need to take drastic action to train recruits. Road Way concluded that "the industry is obviously unattractive to many men and only long-term measures will improve its prestige."

Employers have undoubtedly had difficulties retaining their drivers and many have suffered very heavy turnovers of men. Coupled with the high failure rate in the stiff HGV licence tests, this means that the industry is short of about 50,000 HGV drivers.

The industry is now addressing itself to the long term problem of the intensification of training and sees a hopeful short-term development in the graduated reduction to 18 in the minimum age of drivers for certain classes of vehicles. It also sees a need to reduce the delays in testing so as to close the widening gap in the ranks of drivers.

Assessment would revolve around a complicated marking system which sets 60 per cent as the minimum mark for the road traffic regulations examination. In addition there would be practical tests extending over four to seven hours during which the candidate would be examined on driving technique and practice and maintenance of the vehicle in working order.

A pressing problem for both employers and unions is the need to conform with EEC regulations of drivers' hours and mileage by 1976. This will mean that for the first time in Britain there will be a limit on the number of miles a man can drive in one day—set by the EEC at 281 miles. In addition, the drivers' day will have to be cut from the present British maximum of ten hours to the European level of eight hours.

The union reaction to this apparent improvement in drivers' conditions has been somewhat guarded and has concentrated on the possible impact on earnings. The TGWU has argued that the mileage limitation will produce a severe drop in earnings from which drivers must be protected by radically increased basic rates. The effect of the regulations on employers is likely to be a severe increase in their undermanning headache, though the Road Haulage Association is still trying to assess the probable full impact of the regulations.

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ROAD HAULAGE III

Deadlock in EEC transport negotiations

By COLIN JONES

The deadlock goes on. At the st EEC Council of Transport inisters' meeting in Brussels n days ago, Britain maintained r resistance to the Community's proposal for an metric tonne ceiling on the le weights of loaded vehicles d one of 40 tonnes on laden hicles. In return, France ain refused to agree that itain should have a larger are of the Community quota haulage licences.

The longer this impasse conues, the greater the danger of her aspects of the Community's common transport licy being held up. It is not for thing that the Commission gards an adjustment of the mmunity quota and the rmonisation of Member States' les on vehicle weights and mensions as the most important next steps in the velopment of the Community's ansport policy.

Nor is this the only area here delay is threatening. nder the Treaty of Accession, K. hauliers operating across ternational frontiers within e EEC—that is to Ireland as ll as to the Continent—are pposed to start conforming to e Community system of acket tariffs on January 1, 74. To pave the way, eight ts of bilateral negotiations th our EEC partners have en taking place during the st few months. But some of e most important are still far om being concluded.

Time needed

Even when agreement has en reached at working level—tween the representatives of e Road Haulage Association d its opposite numbers in her Member countries—time ll still have to be provided r inter-Governmental discusons and for consultations with ers and other interests. The ances of tariffication coming to force at the end of this onth are now beginning to ok very slim. At the present te, it will be well into 1974 efore everything may be ready.

Still deadlocks and delays uch as these are no surprise those who were familiar with he Community's working ethods before Britain joined. National interests are bound to onflict. Even in relatively chnical matters involving no eat political issue—such as working out a complex tariff ructure capable of being plied to a wide range of traffics and a sea crossing across the Channel—delay is by no means unusual.

Sometimes a compromise solution is found fairly quickly: sometimes it takes a great deal longer, or even never happens at all. Progress has never been smooth even in areas other than transport where the Six had been able to make considerable progress. After all, was it not at Brussels that the idea was first conceived of halting the clocks before mid-night so that it could be said that negotiations were concluded by the target date?

Nevertheless, it is not easy to guess how the disagreement over vehicle axle weights will be eventually resolved. Mr. John Peyton, the U.K. Transport Industries Minister, has taken a strong political stand against bigger lorries. Likewise, the French Government, having already asked their vehicle manufacturers to scale down their biggest model from a 13-tonne gross axle weight to one of 11 tonnes, is unlikely to readily concede a further reduction.

Mr. Peyton is presumably hoping that time may be on his side. In the first place, the Six were evenly split before they reached their 11-tonne compromise in May 1972 and, in their national regulations, they still are. France, Belgium, and Luxembourg operate a 13-tonne axle weight limit, whereas West German, Italy, and the Netherlands maintain a ceiling of 10 tonnes.

The accession of three new members, including Britain, swings the balance to 6:3 in favour of the lower figure and delay may encourage some of the 10-tonne members of the Six to reconsider their position. The West German Government, for example, was as much averse to a higher figure before the May 1972 compromise among the Six as Britain has since been. Heavier axle weights, it said 18 months ago, would cost the West German authorities some £175m. for bridge strengthening.

Secondly, the Community quota of haulage licences—still officially regarded as an "experiment"—comes up for review at the end of next year with Britain having as much say about its future as any other Member. France may not be particularly put out if the quota system continues to operate on a pretty small scale or even if it should be put "on ice" for a while. But there are others—the Dutch, for instance—who might be unhappy at the prospect of even this degree of liberalisation being threatened by the mutual intransigence of Britain and France.

Whether the dispute will degenerate this far remains to be seen. In the meantime, does it really matter? Is the present hold-up, something which U.K. hauliers should regard as a matter of regret?

In the first place, one can hardly see the U.K. regulations being changed so as to allow bigger lorries irrespective of what happens to the EEC proposal. The present Government turned down the idea of a 38-tonne all-up ceiling three years ago and it is hardly likely to reverse its attitude totally. Moreover, the system of harmonised Community rules on vehicle weights and dimensions is not due to come into force for some considerable time.

The current target dates are 1980 for international operations and 1985 for domestic. It would thus be some time before U.K. hauliers could expect to benefit either way even if the dispute were fairly quickly resolved.

Nor can it really be said, secondly, that the lack of a fair share of Community haulage licences is particularly crippling at the present time. It would obviously make a difference to some hauliers if the U.K. quota were to be increased from the 129 now available for 1974 to a figure more on a par with France's 341 and West Germany's 356. But it would not make any real difference to the vast bulk of hauliers operating cross-Channel services or to the volume of freight that is moved by road vehicles on these services. The traditional system of bilateral permits would continue to be the means by which all but a few per cent. of the traffic is moved and, while the permit system may be more administratively complicated, the permits themselves are not all that hard to get.

Thirdly, would U.K. hauliers stand to lose if the development of the EEC's common transport policy were to be delayed? The rules which were formulated before the Treaty of Accession will have to be observed whatever may now happen. Under the transitional arrangements negotiated at Brussels, the "club's existing rules" will apply here from various dates up to the end of the decade. They are not all that numerous and—with the obvious and very important exceptions of the rules about drivers' hours, records, and tachographs—they are not all that momentous.

Social regulations

This will clearly change as progress is made with other aspects of transport policy and, while certain elements in the proposals the Commission has been putting forward may seem broadly acceptable from a haulier viewpoint, the same cannot be said of other parts. The proposed second social regulation is one example. certainly so long as the Community fails to establish similar rules about working conditions in other sectors of transport and, for that matter, in other sectors of industry. Another is the proposal for a common system of charging for the use of transport infrastructure which, in the case of road haulage, could well mean a substantial increase in the tax on heavy vehicles.

Moreover, it is clear that during the past year the Commission's thinking about transport policy has undergone a change. A new Commissioner and a new Director-General have been put in charge following the reshuffle that accompanied the Community's enlargement, and the policy paper submitted by the Commission to the Council of Ministers a few weeks ago showed a marked inclination to favour a more liberal approach to transport policy and much less emphasis upon a framework of detailed control and regulation. It may be that conflicting national interests will be as marked, and will impede progress as much, as before. But, on balance, U.K. hauliers could have much to gain if the Commission is allowed more time to follow up the direction in which its policy thinking now appears to be heading.

Facing a squeeze on two fronts

By JEFFREY BROWN

The hauliers might be said to have a problem. Not only has the Government switched suddenly from economic expansion to economic standstill but it has done so largely because of a threat to supplies of the transport industry's most basic raw material—petroleum.

All this has happened at a time when the haulage cycle can be said to be rising relatively fast. In September for example a group like Transport Development felt able to talk confidently about "an abundance of traffic" and point to six month profits (to June) higher by more than two-fifths before tax. From this it can be fairly deduced perhaps that the industry was in something of an expansionary phase despite fiscal controls on prices and margins. Stage Three had tightened the costs screw, but until the fuel crisis blew-up the growth game had not altered too radically.

Just where the industry stands now is difficult to assess. Plainly no one knows quite what effect fuel shortages will have on motoring patterns generally but at least there is comfort in the fact that transport prices can be pushed higher fairly readily if fuel costs start to escalate. Under Stage Three notification of a price rise has to be given 14 days before it can be put into effect and if the arguments are satisfactory the Government's prices watchdog—the Price Commission—does relent.

But perhaps the industry's real fears stem from the drag on volume growth that might be expected to materialise from the brake on domestic consumption. Thus the hauliers face a double squeeze, price and margin control under Stage Three plus the impact of declining volume at a time when costs—notably fuel costs—are rising sharply.

Interesting trend

Of late one interesting trend to have developed in the haulage business has been the way large contractors have started to move towards in-house transport fleets. Against the present background it will be interesting to see whether these will now reach full maturity. Of course many own-account transport operators have long had reciprocal agreements with the professional haulage industry. The essence here has been an increased load factor on return journeys or in some cases to take other people's traffic to improve the load factor both ways. Against a possible background of declining volume such short-term load running can clearly be expected and the position is likely to be made worse by less traffic sharing among individual companies.

However, some transport groups have a fairly broad trading base, and clearly such companies should be better able to withstand such future storms. Transport Development is a case in point with roughly half its earnings coming from storage and exhibition work plus engineering. Moreover, maybe half Transport Development's fleet of vehicles is under contract which is a considerable stabiliser—in good times as well as bad.

In terms of labour turnover Stage Three has perhaps heightened a problem already pushed well under way by stages One and Two of the Government's anti-inflationary policy. And here Transport Development readily admits it has a problem. Basically this consists of job-hopping as drivers, especially, play the market for higher wages in an attempt to beat the pay-standstill. The result is an acute shortage of driving labour, particularly licensed operators.

Drivers of vehicles able to carry three tons and over have to be licensed for such work under the 1968 Road Transport Act, and following a wide degree of economic expansion last year and this—plus transport trends to greater freight carrying by road—drivers have become something of a rare commodity. Since the middle of last year the problem has been a noticeable thorn in the side of the transport industry, especially for the more labour intensive operations like parcels specialist United Carriers. Unfortunately United Carriers' remedial action is now starting to work to the company's disadvantage.

Given a shortage of licensed drivers, United Carriers has been trading down its fleet size of late and lifting the ratio of vehicles of less than three tons carrying weight. The company was willing to face reduced economies of scale in order to raise operating levels but it now faces a rather more than disproportionate increase in the fuel bill.

In many ways it is tempting to try to draw parallels between the present oil situation and the fuel crisis of 1956. Time and time again the general mood of the haulage industry appears to be one of short-term hope—that after a few months of rationed supplies the Middle Eastern producers will relent and that oil will once more flow freely to this country.

However, seventeen years ago when the words "Suez invasion" was on everybody's lips, certain of to-day's trading fundamentals had just not arisen for the hauliers. For one, steam was still largely the motive force for British Rail and at that time freight transport was still largely the prerogative of the railways. Road transport as we know it to-day just did not exist. The present, vast motorway complexes were still in their infancy, and so too was Britain's road transport industry. In 1956 the hauliers had a flexibility born of smallness that allowed them to ride the then fuel shortages with a degree of resilience. It is difficult to see the industry of 1973 adapting to the present situation with any ease.

Long-term conjecture

However, any projection of longer-term oil shortages is clearly a matter of straight-forward conjecture. And so too are some of the horrific price/costs squeeze estimates that some people are currently applying to those industries heavily associated with fuel oil.

Casting around for the industry's strengths leads largely to the enormous trading power that the transport groups have built up over the past decade. The present fuel position is going to propel a chain reaction that was already under way given the fiscal pressures of Stages One, Two and Three. Costs are simply being fined down to the very bone, and here the hauliers' discount pricing system is helping to defend the prices front.

But the major straw for the industry to clutch must centre on the need of the Government to get the economy back to growth as quickly as possible. Wage, price and margin controls look long-term measures from the Government's point of view but the present degree of "stop" for the economy may be temporary. Generally speaking the hauliers are not currently short of cash-flow. Some companies—Barton Transport and Ralph Hilton Transport, for example—have their problems, but Transport Development should push profits beyond £12m. this year, against £9m. previously. Moreover, in October the two principal National Freight Corporation companies—National Carriers and British Road Services Parcels—were were talking confidently of returning profits in the near-term.

Trading volume

Up a third on average over the past three years, profits at United Carriers eased back slightly for its first six months (to July) this year and the problem was mostly work-force fluctuations. Since July the company has raised cover charges and until the Government applied the economic brakes against the worsening fuel background, United Carriers was very happy about trading volume.

ROAD HAULAGE IV

Implications of licensing policy

By LORNE BARLING

The first five years of the operation of operators' licensing under the Transport Act 1968 has, according to a Department of the Enrivonment report published recently, produced no significant changes in the industry. While this may be broadly true, there have been some well contested arguments about the affects of the licensing.

According to the report of Mr. Brian T. Bayliss published in May this year, the various provisions of the Act removed quantity restrictions on entry into the industry and replaced them with quality constraints. His conclusions on the result of this policy, which were investigated to relate to 1971 owing to delays in implementation of the licensing, are certainly worth recording for they have been the subject of close examination. Generally they suggested that the status quo had not changed and was not likely to come under pressure.

The study showed that there was no evidence of any extensive use of vehicles under 3.5 tonnes gross weight by professional operators to avoid the quality controls of operators licensing and that the increase in tonnage carried by others by mainly own account operators amounted to less than two per cent. of the total tonnage carried for others in 1971.

Further, there was no evidence that there were large numbers of new entrants into professional road haulage, nor were any substantial numbers of professional operators going out of business. There was no suggestion that established or professional hauliers were increasing the size of their existing fleets out of relation to increases in demand.

Mr. Bayliss also concluded that profit margins for 1971 were substantially the same as those that existed in 1965, and costs and charges rose at the same rate in line with national price increases between 1965 and 1971. Finally, there appeared to have been little change in investment resulting from operators' fears about the future.

Very different

The study was carried out to provide information on the structure, operations and financial aspects of road haulage in the United Kingdom. It was above all, of relevance to the U.K.'s entry into the European Economic Community whose policy on licensing was and still is very different from ours.

EEC entry carried, of course, the commitment to agree to a common transport policy and although no policy for access to road haulage markets has yet been formulated by the Community, all the original Six members have quantity constraints on entry. For this reason the U.K.'s position is basically different and the working of the system needed to be studied, the Department of the Environment believed.

The method of investigation—which has aroused some comment in the industry—involved a sample poll of operators of vehicles under 3.5 tonnes gross weight to establish the proportions of operators in that category who held Operators' Licences, operated entirely on their own account and carried other operations for other persons or firms for payment.

Other information about carriage for other persons or firms by former own account operators, exits and entrances into the industry and public haulage operations was gained largely from applications for operators' licences, the Department of the Environment and the Department of Trade and Industry.

Mr. Bayliss said: "The circumstances of the 1968 Act suggested that it was first and foremost of importance to investigate the aspect of stability in the road haulage industry. This stability argument with its implications for service to the customer was also one upon which the Commission of the EEC had placed most emphasis in considering the question of market access."

The industry's view of the changes that have taken place since 1968 are, however, rather different in detail to those put forward in the report, although they tend to agree in broad outline. One criticism of the report is that it was carried out at a time when the road haulage business was in a trough, so it could not give a clear picture of what is happening in boom conditions. Doubts were also raised by the haste in which the returns from operators were gathered and the "smallness" of the usable samples.

A criticism of the actual working of the Act has been the fact that local authorities are not obliged to look into the financial arrangements of applicants and the Road Haulage Association believes that many of them do not know the financial burden they are facing. As a result, when an operator's profits fail to come in he is tempted to skip maintainance and carry at reduced costs, a sure way to disaster. For this reason the RHA would like to see stricter control on financing.

Overall, although the RHA believes the present system is working satisfactorily, it would like to see a return to a system which would re-establish the distinction between hire and reward and own account operators, as is likely to happen when EEC common policy is implemented.

At the same time the industry would like to see many of the provisions of the present system incorporated into any new one. For example, it is felt that the use of quality controls for admission into the industry should be continued because they are justified on the grounds of safety and the ability to give users confidence in the reliability of haulage services.

But it also believes that there is considerable room for improvement on some of the quality control measures apart from financing, such as the tests of fitness of applicants to operate, which are considered inadequate. The EEC proposals provide for the suitability of a person to gain access to be determined by inquiries into his honesty and respectability, his financial resources, and his professional competence.

The Freight Transport Association's criticisms of the 1968 Act have been considerable and many of them also touch on the areas which would be covered by the common EEC policy. It has pointed out that many operators, particularly those with small fleets, often contract out all their maintenance work and it is difficult for them to detect any shortcomings on the part of the garage. However, it is the operators' licence at risk.

Also in the case of hired vehicles it is the operator at risk although he may not be able to check the condition of the vehicle. The association put forward the suggestion that companies which hire out vehicles should therefore be licensed.

It is also argued that the period of nine weeks' notice for all licence applications is excessively long, bearing in mind that trade and industry frequently requires extra transport capacity at short notice.

The regulations do provide that licensing authorities may deal with late applications or urgent cases but this is very much at their discretion. It was suggested that a six week period for the existing requirement would increase flexibility.

On the centralisation of licensing, the FTA points to the problems of many large national companies whose vehicles were previously covered by centrally held C licences and then had to apply to each relevant traffic area. For ease of administration operators would like to see centralised licensing as an alternative to the present system.

Public sector

There are several reasons for pressure in the industry to return to a system differentiating between owners who operate vehicles for hire or reward and those who operate on "own account." The strongest is the argument by "hire and reward" operators that a stable, efficient and responsible haulage industry cannot be met when proper charges can be depressed by incursions by "own account" operators into the public sector.

They also believe that quality controls do not sufficiently limit the supply of goods transport to the demand for it, a situation which is needed if road congestion is to be eased to reduce the lorries' impact on the roads.

It is suggested that the road haulage industry has an inherent instability because the setting up of a small haulage company requires little capital and has, to people without knowledge of the industry, the appearance of offering scope for initiative.

An argument used to demonstrate the need for capacity controls is that at the end of 1972 and in early 1973 hauliers were compelled to take some of their vehicles off the road because of an economic downturn. Yet at the same time entrants into the business continued.

However, regardless of the arguments about the present system, it is unlikely to undergo any significant changes in view of the hopeful emergence of a Community policy, though it seems that this is likely to come later rather than sooner and the 1968 Act may be with us for some time to come.

Speed and reliability vital

By a Correspondent

Rather more than £4,000m. a year is now spent moving freight around the country by road and rail, and the greater part is spent on road haulage. Of the total, rail accounts for only about 6-7 per cent. and, of the remaining 93-94 per cent., the "own account" lorry and van fleets of manufacturers and distributors probably account for about two-fifths and road hauliers for the other three-fifths. Thus, if one had to put a broad figure on the size of the market for road haulage, the best guess would probably be somewhere in the neighbourhood of £2,500m. a year.

This is a sizeable figure. But it is a mistake to think of the road haulage market as constituting a single homogeneous whole. It is split not only by geographical factors—a haulage service running between, say, Glasgow and Manchester is irrelevent to customers in other parts of the country—but also by a wide range of specialised requirements.

Bulk liquids

Highly specialised services like the movement of bulk liquids, oil products and chemicals are of little interest to manufactured food producers with a long list of supermarkets and high street shops to keep stocked up. The humping of aggregates to motorway construction sites is quite different from the delivery of bricks or building components to housebuilders, the trunking of steel products to engineering factories, or the shipment of toys for export to a port. Haulage, and for that matter road freight transport as a whole, is a myriad of disparate services as varied as industry itself.

Haulage, essentially, is a service. It has to be market-orientated. Years ago, when motorised road freight transport began to emerge, it may have been more like a "spot commodity": a facility to move goods cheaply from A to B. But price has never been the only factor. At least as much emphasis has always been placed on the quality of service—on speed, reliability and convenience.

This is even more true to-day when transport may on average account for about 9 per cent. of the total cost of producing and distributing goods. In the case of some low-value, high-bulk items, like say stone or slate, transport can absorb well over three-quarters of the delivered cost. With sand and gravel, chalk and clay it can be nearly half. Even in the case of manufactured food products, the transport element in total costs can be well over 10 per cent.

But a haulage service can never be regarded in isolation. In a growing range of industries it is seen as an integral part of the whole distribution and production process and, as such, a major potential contributor to market share and profit. In one sense the company trains that British Rail is now hauling for a growing number of firms is an example. The Ford train run daily between Halewood and Dagenham is, in effect, an extension of the Ford assembly line. But it goes very much further than this, especially in the industries supplying consumer goods to shops, stores, and supermarkets.

In these sectors, transport is one of the factors that make up the total marketing effort and the growth of the multiple and supermarket has made a planned and disciplined approach more than ever essential. It is no use producing items unless they are made available in the right place at the right time in the right quantity and quality. The rhythm of supplies from the factory needs to be carefully and precisely dovetailed in with product promotion and merchandising, with stock levels and replenishment, with market coverage and penetration. The movement of goods from factory to depot to shop and supermarket is not merely just a question of distribution policy, still less a technical operation to be considered on its own, but an inherent part of the total marketing effort.

There is little point, for example, in arranging a distribution system that incurs the least transport cost if the savings in that direction are more than offset by the cost of goods tied up in transit or in stocks held at distribution depots, especially in these days of soaring interest rates. Likewise, there is little to be said for achieving economies in transport costs if they can be gained only at the risk of major outlets running out of stocks during the busiest season of the year.

Package deal

Conversely, as an increasing number of manufacturing companies have realised over the past ten years, a lot can be gained by analysing in the light of current marketing requirements a system of distribution, including the transport element, that has appeared to be working efficiently and economically but which has not been basically changed for a number of years. There may always be a case for re-assessing the location and number of depots, the timing and routeing of deliveries—and for that matter the mode of transport that is used.

Not that many hauliers have been slow in perceiving the implications of this approach. British Road Services and some of the other companies in the State-owned National Freight Corporation which, with about 5 per cent. of the total inland freight transport market, is the country's biggest road haulage group, has made a special point in the last few years of offering a comprehensive "package deal" service tailored to individual company requirements and providing, where needed, buying, raw material scheduling, production planning, warehousing, trunking, local distribution, bulk breaking, packaging, inventory control, display, quality control, and sales analysis facilities.

Since Freightliners and National Carriers are part of the NFC group, it can offer a full range of inter-modal choice. With Britain now a member of the European Community, it can also provide through its Pickfords International subsidiary a full inter-modal transport and distribution service, complete with consultancy, marketing intelligence, and financing facilities, to and from the Continent.

The changing nature of the haulage market has significance for others besides hauliers. If it is a mistake for industry to look at transport as something separate from the processes of distribution, marketing, and production, it is equally wrong for the makers of public policy to treat transport in isolation. For years there has been talk of the need for an integrated transport policy, or at least an integrated road and rail policy. There certainly is a case for greater technical co-operation between the two and especially for far more research into ways of facilitating inter-modal transfers. But the truest form of integration is likely to come through the market, and the growing trend towards regarding transport as an inherent part of a much wider industrial process is making the old political dogmas about transport seem more and more irrelevant.

ROAD HAULAGE V

Striking an economic and social balance

By COLIN JONES

When the Government came down against an increase in the 32-ton maximum laden weight of commercial vehicles three years ago this month, few hauliers suspected that the decision would be the precursor of a major sea-change in public and political attitudes towards the lorry. At the time many thought that the refusal to sanction bigger lorries owed a good deal to the fact that this was one of the first big decisions to be taken by the newly-created Department of the Environment. But far more decisive was the weight of adverse Parliamentary opinion.

It was significant because politicians, whether they operate at Westminster or at local level, do not often go out on a limb unless they are pretty confident either of their assessment of the drift of public opinion or about their chances of influencing it. And since then the drift of public opinion has been only too evident.

Opposition to the construction of new roads, especially in heavily built-up areas, has succeeded in getting most of the Greater London Council's ringway plans scrapped and urban motorway projects in other cities halted. Opposition to having heavy lorries trundling down the road in which you live or shop has led to a rising torrent of access, waiting, loading and unloading bans—and most recently to the "Dykes Act" which seems likely to turn the torrent of restrictions into a flood. And opposition to an increase in vehicle axle weights has produced a 12-month long deadlock in the European Community's search for a common transport policy.

Up to a point it is good that the social and environmental aspects of transport should be emphasised. Far too often in the past they had been allowed to go by default. Back in the early days of the post-war road building programme, for example, some dreadful mistakes were made in the planning or design of motorways in the urge to catch up as fast as possible on the long years of nil investment. The need to give aesthetic considerations as much attention as highway engineering and traffic considerations was recognised fairly soon in the planning and design of inter-city motorways, but urban road planners seemed to have taken a great deal longer to realise that motorways could never be successfully built on the cheap within a major city.

Real danger

But, whereas the pendulum may have been tilted too far in one direction a decade or so ago, it is equally clear that there is a very real danger of it being pushed much too far in the other direction now. It is all very well to argue in favour of maintaining a balance between the social and economic considerations. But some who argue from an environmental standpoint are inclined to dismiss too readily the nature and strength of the economic case in just the same way that some early motorway planners were inclined to ignore the social aspects.

Striking something like the right balance is going to be neither easy nor simple. Road hauliers should realise, for example, that concern for the environment is far from being a monopoly of the "long haired brigade." Ways of solving the traffic problem are as common a topic of conversation in pubs as last Saturday's soccer results or last night's television programme. It is no use assuming, too, that the task of helping to restore a more balanced attitude is something that can be left to representative organisations alone. The effort made by the Road Haulage Association or the Freight Transport Association can be undone overnight by a major motorway pile-up or by a badly loaded, maintained, or driven lorry. It is not only the activities of the fringe of "pirate" operators who flout every rule in the book that can offend public sensitivities.

Environmentalists have to realise, likewise, that the answer is far more complex than simply placing restrictions on the movement of lorries, or getting loads broken down into sizes that can be handled by smaller vehicles, or of forcing more freight to go by rail. There is obviously room for more goods to go by rail, in some cases just as economically as by road, but the scope for a shift in freight movements is limited.

Distances are too short, consignment sizes are too small, packing and trans-shipment costs are too high, and the pattern of movement is too diffused in this compact little island for rail to take much more without significantly raising the cost of transport in production and distribution. The number of access points to the rail system is tiny in relation to the total number of points of origin and destination of freight traffic—only about 550 goods depots and stations now receive general merchandise traffic—and the available spare capacity on the rail system, particularly on the most heavily required routes, is not all that considerable.

True, more private sidings and more route capacity could be built. But this can incur environmental as well as economic costs—to those who live, shop or work in the streets approaching rail freight terminals and to those living in the path of the extra route capacity, as is evident from the opposition already welling up along parts of the proposed "high-quality" line between the Channel Tunnel and London. Even if a major rail construction programme was considered worthwhile and rail traffic was, say, doubled, would it make an appreciable difference to the total volume of road traffic? Assuming even a moderate rate of economic growth and other things being equal, lorry traffic would still increase overall and car traffic alone will have doubled by the end of this century.

The situation would be even worse if the idea of compelling operators to use smaller lorries were implemented to any considerable extent. The prospect of something like a permanent ceiling being placed on vehicle size, as seems implicit in the EEC proposals, is serious enough. The steady growth in the average payload of lorries has been one of the principal reasons why the total number of goods vehicles on the roads has not increased over the past eight years despite a 50 per cent increase in the volume of freight shifted by road.

Average capacity

If the 3-4 per cent. annual increase in average carrying capacity were to continue, the total number of goods vehicles over 1½ ton unladen weight would remain roughly the same even with a 3 per cent. annual economic growth rate. But if carrying capacity were to cease growing and economic growth continued at 3 per cent. a year, then the number of 1½ tonners and over could double in 20 years.

If average carrying capacity were to fall, because say of a trend towards trans-shipment centres on the fringe of major built-up areas coupled with severe restrictions on the movement of 3- or 5-tonners and upwards further in, then the upshot would be more vehicles, more congestion, more noise, smoke emission, fuel usage, and manpower, and a greater risk of accidents. In other words, the real possibility of a net loss in environmental as well as economic terms.

There is, unfortunately, a risk of this happening in some areas at the present time. The Greater London Council has made an exception for vehicles requiring access in its ban on 40-footers in central London. But the proposals currently being mooted by some other local authorities show no such appreciation of the overall needs of the people and the areas they are anxious to protect. And even the GLC has consistently fought shy of identifying alternative routes for the vehicles it has banned from crossing central London—apart from urging the Government to get a move on with the one London orbital motorway project for which the GLC is not responsible.

It is in built-up areas that the conflict between the environmental and the economic aspects is at its most acute and the answer most difficult to perceive creating a network of first-class inter-city roads that can be designated as lorry routes to, say, the ports or to by-pass peaceful villages and historic towns is primarily a matter of money and time. But, as the opposition to the GLC's ringways has demonstrated, a similar approach to the problem within cities is not currently acceptable.

Basically, it is a question of choice. The growth of road traffic, including cars, reflects both the fruits of economic growth and the price that has to be paid in order to achieve it. If less traffic is desired, it will almost certainly mean accepting a lower rate of economic growth. And in cities, should restraints on delivery vehicles, as well as car traffic, exceed a certain level, it is likely to add to the pressure for dispersion—of shopping, for example, to the outskirts and beyond—and thus the further decline of central areas.

Tachographs' big impact

By a Correspondent

Apart from the change in the rules governing drivers' hours, perhaps the biggest impact of EEC membership upon U.K. haulage operations will come from the regulation concerning tachographs. These automatic recording equipments will be a compulsory fitting on all new vehicles of more than 3½ tons gross laden weight (and on all other vehicles used to haul dangerous loads) after January 1, 1976, and on all pre-1976 registered vehicles over 3½ tons g.v.w. after January 1, 1978.

Like the EEC regulation on drivers' hours, the rule about tachographs is one of the relatively few Community laws of real practical significance in the transport sector that had been before Britain joined the Common Market. The chances of significant amendments—and certainly of a total change of mind—are thus pretty minimal. The question for transport operators, therefore, is not so much whether tachographs are a good idea, but when should one think of installing them and what one might hope to gain. As with the sage's counsel has it, if it is inevitable one might as well make the most of it.

Big uncertainty

The biggest uncertainty about "when," of course, is the attitude of drivers and their trade union. For the most part, they remain as firmly opposed as at the time of the "spy in the cab controversy" some four to five years ago, when powers for the compulsory installation of tachographs in commercial vehicles were incorporated in the 1968 Transport Act but were never invoked. True, Britain may be the only member of the nine-nation Community where this is so. But at this stage there is little sign of a fundamental change of attitude on the part of U.K. trade unionists and, as long as this continues to be so, an element of uncertainty is bound to prevail.

Even so, the operators of perhaps some 15,000 vehicles have now installed tachographs out of perhaps at least 650,000 that may need to be fitted by the beginning of 1978 in order to comply with the law. Since production versions of the EEC type tachograph are unlikely to be available in this country until the second half of 1974 and since U.K. vehicles manufacturers are not expected to install tachographs as standard equipment on new vehicles until the following year, the question of when to convert obviously becomes a highly critical matter for most fleet operators.

Normal vehicle replacement should cover up to 200,000 vehicles by the end of 1977, but this will still leave at least 450,000 vehicles currently on the roads to be converted between now and then—an average conversion rate of over 100,000 a year as against the cumulative total so far of a mere 15,000. The problem is not so much manufacturing capacity: the two principal manufacturers of tachographs already on the market—Smiths Industries and Lucas Kienzle—foresee no real difficulty in meeting demand. The problem will come from installation facilities, especially if the bulk of vehicle owners leave conversion until the last moment. As operators with practical experience of tachographs have come to realise, the fitting of these equipments calls for considerable skill and experience, and the standard of installation facilities required by EEC regulations may not be available if the demand for conversions is bunched into the last minute.

Up to a point, the dispensation provided in the EEC regulations for nationally approved tachographs could help to spread the load. The specification for a U.K. tachograph type-approval scheme, converting all tachographs now on sale in this country, was published last month, and the EEC regulations stipulate that tachographs complying with national regulations may be legally used until January 1, 1980. Thus, fleet operators installing tachographs under the U.K. type-approval scheme will have two further years before having to conform to the EEC system. Allowing time for Parliamentary approval, the U.K. scheme could be in operation by about the middle of next year.

But installation is only a part of the problem. There is also the highly important question of calibration, sealing, and servicing. The EEC rules governing these aspects are most specific and very exacting and only the largest fleet operators will probably be able to provide their own facilities. The problem, basically, is that whenever any work is carried out on a vehicle which involves breaking any of the seals—and this could happen any number of times during the course of normal vehicle maintenance—it will have to be sent to an authorised agent for re-sealing.

In time, there may be an adequate number of these agents dotted around the country, and facilities for tachograph recalibration may even become part of the routine facilities of DoE testing stations. But this, too, is an aspect that should not be overlooked, particularly in view of the total size of the fleet for which tachographs will be compulsory in this country and the fact that the U.K. fleet of 3½ tonners and over is considerably larger than in any other EEC country.

Finally, there is the question of the benefits that may be gained from the use of tachographs. This, basically, is a matter of choice by the individual operator. Some existing operators, both in Britain and on the Continent, limit their interest to fundamentals, such as whether the rules about drivers' hours have been observed, the possibility of tachograph records being used as a defence against prosecutions for driving infringements, and so forth.

Other view

Others see it is an aid to supervision, a check on the operation of productivity schemes, a guide to route and operational planning, vehicle utilisation and performance, and a means whereby the risk of accidents may be reduced and, with it, the cost of insurance—in other words, every last ounce of possible information extracted.

But a tachograph is essentially an instrument which records time, speed, and distance. Reading and interpreting this data will cost money, either in the form of trained staff or for a chart analysis service provided by the manufacturer. As with any other new managerial "toy," there is always a danger of extracting information purely for its own sake, rather than for the use to which it can be put and the tangible advantages that can be gained thereby.

ROAD HAULAGE VI

Predominant in distribution

By RAY DAFTER

Behind the smokescreen of controversy surrounding Britain's freight transport system and the whole roads-versus-rail issue lies the basic fact the lorries provide the basic framework for distribution.

However one juggles with legislation, give incentives to industry to switch goods to rail, put money back into inland waterways, there is no doubt—at least in the foreseeable future—that the road freight industry will be the predominant influence on the movement of goods in the U.K.

That is not to say that there is no room for improvements. There is every reason to encourage the large-scale carriage of bulk goods to move by rail; British Rail would argue that the economic factor is achieving this although it would like industries handling bulk commodities to be encouraged to put in more private sidings.

The British Road Federation's latest Basic Road Statistics show that last year road borne freight transport increased in total and proportion overall. Lorries and vans carried 1,698m. tons out of 1,976m. tons: roads also accounted for 51,400m. ton miles out of a total 80,600m. ton miles. Of the road and rail borne freight, lorries and vans accounted for 90.7 per cent. of the tonnage.

Natural growth

You cannot change this balance overnight, even if it were desirable and in the present situation of a highly sophisticated distribution system within the confines of a small island, it is difficult to see how it would be desirable. Even if rail freight could be increased by 50 per cent. the total of road traffic would be reduced by less than 2 per cent. and that would soon be regained by natural growth.

Not only are distances covered small—according to one survey half of all consignments travel less than 50 miles—so too are the average "parcels" of freight. And yet the move to more of an integrated transport system and consolidation of freight—coupled with the reliance more an heavier lorries for middle and long distance routes—has done must to trim the growth in the number of freight vehicles.

Last year, for instance, there were 1.6m. goods vehicles on the road, a 2 per cent. increase whereas the number of cars—12.7m.—showed a 5 per cent. rise. New registrations last year confirm the trend with new goods vehicles numbering 266,900 compared with 234,700. Of these diesel powered lorries, which accounted for a little under a third of the total, went up by just 400 to 77,100.

The industry which operates these lorries, road tankers and vans has a much more flexible approach to distribution than it did a few years ago. Increasingly it is adopting the motto "integrated service," coupling the movement of goods with factory production lines (much more needs to be done here), providing its own storage facilities for consolidation and "trans-shipment."

The National Freight Corporation, the State-owned transport and distribution organisation, probably goes the furthest when it comes to integration incorporating, as it does, railway interests through Freightliners and National Carriers (both ex-British Rail) as well as the range of British Road Services and other haulage interests.

Yet in spite of its importance—it is by far the largest road haulage business in the U.K.—it attracts only 5 per cent. of the total road and rail freight market and around 8 or 9 per cent. of the road haulage sector.

This illustrates the underlying nature of Britain's road haulage industry—it is basically fragmented with room for all types, from the sophisticated groups to the one-lorry operator. (The Road Haulage Association which comprises big and small businesses welcomes the one-lorry man providing he is not a "cowboy"; the fly-by-night merchant who does much to put the industry into disrepute.)

The ending of the own-account and third party licensing system has done much to encourage flexibility of operations. Now, under the Operators Licence, a lorry or van owner can carry anyone's goods. The small men were originally worried that this could kill a big slice of their business. Indeed companies like W. H. Smith and the Co-operative Wholesale Society did move into the third party business. On the whole, however, this has not caught on. Its application often causes more trouble and headaches than it is worth.

What we have seen, however, is a move towards a grouping of major companies to carry each other's goods; more specialisation—such as into contract hire (a booming business at present) and bulk liquids; and the establishment of large distribution schemes, often as a diversification away from the company's primary field.

New techniques

Unilever is particularly well established in this latter category through SPD (said to stand for Speedy Prompt Delivery). As part of the Unilever group it already has a fair size market of its own to tap apart from outside contracts. About 75 per cent. of SPD's business comes from other Unilever subsidiaries—Birds Eye, Stork, Omo, Lux and Batchelor for instance—although the share of non-members is said to be rising.

Mr. Medwyn Ormerod, a Unilever director, commented on the company's recent decision to step up the exploitation of markets in the U.K. and abroad: "Transport is a growing market, with scope for new techniques and more sophisticated chains of distribution."

Sophistication is a word which is increasingly cropping up in the transport and distribution industry.

Cory spotted the need for a growth in national distribution network—particularly for the grocery trade—and acted on it last year. Through CDS it spent £100,000 on research and invested £8m. in laying the foundations of such a network.

Another company on this particular scheme is Tate and Lyle, the sugar concern. Its reasoning went something like this: We are looking for new markets, we have a large fleet of vehicles delivering our own products regularly, why not carry other company's goods as well?

This is not being done by the transport department of Tate and Lyle but by its specialist subsidiary TLT Distribution, which has been in business for around three years. Already less than 50 per cent. of TLT's work comes from Tate and Lyle. Its contracts include companies like Pedigree Petfoods, Heinz, Campbells, Lyons, Martini and Rank Xerox.

It is interesting to note that only one company uses TLT on a national basis; most prefer to trunk goods in bulk to TLT for onward distribution.

This bulk—breakbulk—distribution chain will be increasingly used as heavy lorries find themselves restricted to special "lorry routes" by the Government.

It was reported in the Financial Times last week that TLT believes that only about four major manufacturers can justify having their own vehicle fleets calling on all outlets.

Indeed, while most companies have their own fleets of vans and lorries they only account for about 40 per cent. of the total ton mileage work and most of this is in very short haul work.

Third party business, already accounting for 60 per cent. of Britain's road freight movement, may well have a bigger part to play in the future, provided it is in tune with industry's production programme and distribution needs.

It has been calculated that transport accounts for almost 10 per cent. of the total cost of production and distribution and that 90 per cent. of the total expenditure by industry on road and rail goes on road transport.

Clearly transport interests—whether they are "own account," "third party" or both—can make a significant contribution towards slowing down the rising price of finished goods and food. It is a responsibility often overlooked by the public intent on putting more restrictions on the industry as a whole.

A Scania with TIR trailer which regularly carries looms from Milan to Huddersfield.

Coping with insurance problems

By JOHN GASELEE

On occasions, insurance costs can be relatively expensive for haulage contractors—particularly for certain types of journey abroad. Perhaps, however, the chief difficulty with insurance is trying to make sure that the right cover is in force. Often, it can be tempting to assume that, because of the conditions of contract, either no insurance may be necessary, or only fairly modest cover. Practice, however, can quite quickly reveal "loopholes" in that type of argument.

The two chief types of insurance which need to be considered are in connection with the vehicles used and to cover liability for goods carried. Although it is the liability aspect which often causes most problems, changes are taking place from January 1 for vehicles travelling to other Common Market countries, and certain other countries on the Continent, will be involved later in 1974.

The effect of the Motor Vehicle Insurance (European Community) Regulations 1973 has been to amend the Road Traffic Act 1972, so that it is obligatory for a motor policy issued in Britain to include liabilities arising out of its use which are compulsorily insurable in the territories of member countries of the EEC.

Useful as that may sound, there are plenty of drawbacks. In the first place, particularly for commercial vehicles, insurers are asking for prior notification of a journey to the Continent. They cannot withdraw the cover if this notice is not given to them, but they can recover from a vehicle owner the cost of any claim which they have to meet on his behalf.

The most important practical drawback to this change is simply that the cover provided in this way is very restricted. It will simply be the minimum legal cover required in the various countries. This, however, is restricted to certain types of third party insurance. In any event, the minimum statutory limits of liability set by some countries are low, and thus could be exceeded by court awards.

This supposed improvement, therefore, is likely to be of little value to haulage contractors in this country. To obtain the cover which they need, they will have to continue to extend their U.K. policies and obtain a "green card"—which is so familiar to those taking their cars abroad. Where vehicles are travelling to and from the Continent almost continuously, normally insurers will issue a green card on an annual basis.

Average claims

Although, normally, a private car is covered by its motor policy when on a recognised ferry route, the majority of U.K. motor policies for commercial vehicles do not provide cover while the vehicle is at sea. It is important, therefore, to have "all risks" marine insurance, including cover for general to average claims. For those who are worried about the possibility of the ferry hitting a mine left over from the last war, war risks insurance, also, can be arranged.

At common law, haulage contractors are bailees for reward. This means that, because they are being paid, they have a higher duty towards an owner of goods than, say, somebody not being paid. It appears that the courts are taking a more stringent view of the responsibilities of operators. In practice, operators use their own conditions of carriage. These may have been drawn up by themselves; or be the 1961 conditions of the Road Haulage Association, or the 1967 conditions of that body. Effectively, with the 1961 conditions; an owner of goods which are lost or damaged has to prove negligence on the part of the carrier, subject to certain contractual defences.

Under the 1967 conditions, in effect, the carrier holds himself out to pay compensation, whether or not he has been negligent. Nevertheless, there are various defences such as Act of God, or the fact that the operator was not notified in time, or that packing was insufficient, or labelling inadequate.

Under both the RHA conditions of carriage, there is a monetary limitation of £800 per ton of weight of goods carried. From January 1, 1974, various operators will be altering the limits of liability to £1,000 per tonne, metric. In fact, this is an extension of the liability.

Deciding on the maximum indemnity required under a liability policy involves more than multiplying the maximum load which will be carried by £800. In the first place, dependent on the type of goods normally carried, that limit could very well be too high. Nothing like that figure would be required if vehicles were used solely for carrying agricultural produce. If, however, goods with a value well in excess of £800 per ton are carried, it may not always be possible to limit liability to that figure. If, for instance, a contractor receives instructions through an intermediary, the owner of the goods may be able to make a negligence claim in tort for a higher figure.

Thus, in assessing the rate of premium to charge for this insurance, an underwriter takes into account a variety of factors, such as the limit of liability in the policy, the type of goods normally carried, the conditions of carriage in use, the past experience of the operator, the areas most frequented by vehicles, and the anti-theft precautions in force.

The position with some specialist carriers is rather different. Because of the particular goods which they carry, their limits of liability may be higher or lower than, say, the RHA limits. These include operators specialising in bulk liquids, furniture removal, hanging garments, refrigerated foodstuffs, acids and chemicals.

Britain's entry into the Common Market has had no direct effect on the liability position, since the carriage of goods to or from Britain by road in vehicles for reward has been subject international convention conditions (known as CMR) for some years.

Under these conditions, which cannot be amended, a carrier's limit of liability is somewhere between £3,500 and £4,500 per ton, according to the rate of exchange, since the official limit is 25 gold francs per kilogramme. In addition, the carrier has to refund carriage charges, pay Customs duties and interest at 5 per cent.

Traffic between Britain and Ireland is not affected by CMR, but, if the goods are passing through Britain on their way to or from the Continent, the CMR conditions would apply.

A haulage operator, therefore, can find himself bound by these conditions without ever going outside Britain. Some operators, for instance, simply collect trailers which have come from the Continent at the docks, and deliver trailers bound for the Continent.

Although there are certain defences under CMR including "through circumstances which the carrier could not avoid and the consequences of which he was unable to prevent" (which has been described as a lawyer's paradise), normally to cover CMR liability is more expensive than, say, RHA 1967 conditions in Britain.

Clearly, if a number of carriers are used in different countries for an international transit by road, it can be difficult to establish which carrier was responsible for any loss or damage which is not discovered until the goods reach their final destination. In this type of situation, the first carrier is obliged to meet the claim. If this carrier can prove that one of the other carriers in the chain was wholly responsible for the loss or damage, a full recovery can be made.

If two or more carriers can be shown to have been responsible for the damage, the first carrier can make a recovery in proportion to each of the other carriers' share of the charges. And if it is impossible to establish liability, the carrier which has settled the claim from the owner can make a recovery from all the other carriers in proportion to their share of the charges, himself bearing his fair share.

In view of a carrier's liability to the owner of goods carried, it may appear as though owners need not worry too much about insuring goods transported, relying on making a recovery from the carrier.

Here, the point to bear in mind is that a carrier will take advantage of every defence open to him. Often, it may be a difficult and protracted operation to make a recovery and, even then, it may not be successful. Generally, therefore, it is advisable for anyone dispatching goods by road to make insurance arrangements. Then, in the event of loss or damage, a claim can be made against the insurers, and should be settled promptly. In turn, the insurers can attempt to make a recovery from the carrier, having the benefit of subrogation.

Type of interest

Naturally, premiums quoted by insurers to cover goods being carried in this way take account of the fact that, in many cases, it may be possible to make a recovery. In determing a rate of premium for this type of insurance, insurers will be interested in the type of interest and value per ton, together with the conditions of carriage. It is those factors which dictate how much recovery it may be possible to make.

;etting on top of the security problems

AUL ELLMAN

ls worth £6m. were stolen orries in Britain last year, ie road haulage industry hat it is some way towards g on top of the problem joints with some pride to ict that the loss represents 0.03 per cent. of the 00m. worth of goods ed.

the hub of the industry's e to keep losses down is the Haulage Association's cle Security Committee, ied in 1959, which puts out rrage of propaganda on new rity devices and hints on to spot potential thieves hijackers.

igures issued by the com- tee indicate that *some suc-* s has been achieved in ting the number of thefts, iough they also show that eves have become more osy about what they steal well as reflecting the falling rchasing power of the pound.

The number of thefts from *iicles in the street fell from* 00 in 1964 to 2,029 in 1972, t the value of the goods lost l less dramatically, from 48,000 to £686.075.

Thefts from vehicles parked private premises dropped ring the same period from 711 in 1964 to 815 in 1972, though the value of the losses ent up from £110,250 to 02,547.

Hijack decline

Hijackings were virtually *iknown in Britain before 1966,* hen there were 37 of them, it these declined to a total of) in 1972, with losses of 143,300 involved.

The committee also estimates iat some £10m. worth of goods isappear each year through ilfering by warehouse and epot employees, but feels that ttle can be done to reduce iis dramatically.

In the long run, the problem f thefts from vehicles in the treets may be largely dealt ith *by the building of high* ecurity lorry parks, where *rivers can leave their vehicles* vernight.

The Department of the nvironment is planning for a ninimum of 50 of these parks utside London, and the first as opened in Carlisle recently, quipped with a central watch- ower, floodlights, closed cir- uit television, dog patrols and a *fortified perimeter of chain* link fencing, a ditch and dragon's teeth.

Perhaps because the hotel, club and restaurant for drivers have not yet been completed at Carlisle, the RHA reports a certain reluctance among drivers to use the high-security park, *with only a fifth* of its capacity of 125 lorries taken up regularly.

Another lorry park, built at Preston by the British Legion Association, is getting only some 50 vehicles parking inside a night, but many others are parked around its perimeter, where they benefit from the floodlighting.

Apart from the *reluctance of* drivers to break with tradition and turn away from the sometimes grimy, but often cosy, transport *cafes and hotels, the* road hauliers are receiving few incentives to shift towards *greater use of the high-security* parks.

They point out that insurance companies offer no bonuses to companies who take on the added expense of using the parks, which could work out as much as *£20* a night for the lorry and its driver.

The Preston park is meanwhile being used as a valuable training *area for security per-*sonnel and systems, and there now exists an association of lorry park operators to improve liaison with the RHA and the Department of the Environment.

High-security parks are expected to do little to stop *lorry hijackings, and in some* cases could make loads more vulnerable since would-be thieves could wait at the gate until the lorry leaves with its load.

In any case, nine out of ten hijackings are believed to involve the driver's working as *an accomplice*, and the best precaution against this is still *to check on the papers pre-*sented by new employees.

Stolen documents still show up in the hands of drivers and Mr. George Burrows, the RHA's security officer, reckons the best way to beat this problem would be to introduce a strict identity system like that used in Sweden.

There, lorry drivers carry a form of "passport" printed on banknote paper and packed inside a plastic case with a *radioactive isotope which sends* out coded impulses when placed under a scanner at a depot. One *of the side-advantages of such a* system is that it carries the driver's blood group, which would be a great help in the event of an accident.

For the most part, the hijacking problem is considered less serious than it was, largely because of the success of the *Flying Squad and Regional* Crime Squads in breaking up the big gangs, like the Krays, who specialised in this field.

At the same time, hauliers have become much more security conscious over the possibility of one of their drivers *being hijacked*.

Drivers are instructed to be especially wary of attempts to stop them on roads and some are now being issued with placards bearing the legend "Vulnerable Load—I will follow you to the nearest police station" to be displayed when drivers are suspicious *of whether a person* waving them down is really a police officer.

Other devices to beat the hijackers include two way radio systems which put drivers in touch with security company offices along their routes. These *are being increasingly* used for high value cargoes like tobacco and wine and spirits. Goods like these are also increasingly being shipped in convoys complete with outriding vehicles carrying security men.

Nevertheless, as the figures for London, which accounts for a *quarter of the annual losses,* show, a small three ton vehicle with a number of stops to make in a city is still the most vulnerable.

Contrary to popular assumptions, the biggest single target for thieves is not a load of whisky, *but clothes and tex-*tiles. Cargoes like this are much easier to dispose of than cigarettes and drinks, partly because of police pressure on receivers of stolen goods.

On the detection side, the RHA is responsible for setting up a voluntary organisation, the *Vehicle Observer Corps which* now has 38 groups up and down the country. The group works by sending out patrols in private cars once a lorry theft has been reported in its area. Once it has located the vehicle, it hands the matter over to the police. No payments *are made* to those taking part, but rewards of up to £10 are offered for finding stolen vehicles. The system itself is credited with cutting thefts overall by some 27 per cent. since its inception in 1962.

A slightly more dramatic addition, to the detection end of the *security business is the use of* helicopters to search for missing lorries where a load worth more than £20,000 is involved. One drawback of this, however, is the restriction on helicopters *flying below 600 feet* in the London area, which makes it difficult for the pilots to read signs on lorry roofs—where firms have bothered to install these.

In the long run, the RHA does not believe that even the most exotic gadgetry can replace common sense *in beating the* lorry thieves. But, it can point to a levelling off in the theft figures as proof that its efforts have enabled the road haulage industry to more than keep up with the growth in the tonnage it carries every year.

A floodtide of change in Europe

By RAY DAFTER

Mr. Dan Pettit, chairman of the National Freight Corporation which has wide-ranging road and rail freight interests, picked a colourful illustration when he outlined the rapid progress of international lorry traffic at a conference in France this summer.

"I am reminded," he said, "of Dunkirk one day in the 17th century which woke up Spanish, was French by lunch-time and English in the evening." He went on to say that in Europe the transport industry was on the floodtide of change.

Britain's entry into the EEC has obviously stimulated an increase in road freight movement between the U.K. and the Continent while, at the same time, setting a new backdrop for the road haulage industry as a whole. But, with the emergence of the roll-on, roll-*off ship principle*, growth in cross-frontier traffic was already on the move, anyway.

Since 1966 the tonnage of goods carried to and from the Continent on roll-on ferry services has been growing at the rate of about 30 per cent. a year. Statistics just published by the National Ports Council indicate that this year more than 1m. loaded and empty units—the vast majority of them lorries and trailers—have been using roll-on services. Last year some 958,000 units totalling *10.4m. tonnes were carried*, although it must be remembered that these figures—which take in the Irish Sea routes—include almost 100,000 railway wagons.

The number of railway wagons crossing the Channel has been falling steadily over recent years although it could be given a big boost should the £830m. Channel Tunnel be opened *in 1980 or 1981*.

Road sector

More immediate developments *will mainly influence* the road freight sector, however. Although many companies have been announcing ambitious expansion plans for their international business—and there have been some fairly exhorbitant claims for likely traffic growth as well—entry of Britain into *the EEC has far from removed* frontier barriers. This was *found out by a driver for one* small U.K. company this year who set off without any of the necessary documents. He—or his employer—thought that his U.K. licences entitled him to free access to the European market. His illusions were shattered when he was stopped by police before leaving the French port.

It is generally felt on this side of the Channel that the EEC transport *policy as it stands is* far too restrictionist to really encourage the free movement of goods. *In Britain, hauliers* and transport operators are used to a fairly open market, one in which they dominate the distribution scene because of the flexible nature of their services and the basic smallness of the island.

The Continental transport system has much of its foundation laid on a different premise. For a start, the Continent is bigger, giving greater opportunities for rail and inland waterway movement of goods.

In Britain, for example, 85 per cent. *of freight tonnage goes* by road. On a ton mileage basis *roads account for 65 per cent.* with the rest being fairly evenly split between rail and waterways (basically coastal shipping).

It is a different picture on the Continent where in Belgium and France, for example, road traffic accounts for roughly 45 per cent. *of the ton mileage* and in Germany where road takes about 38 per cent. compared with rail's 39 per cent.

The new transport strategy for the enlarged EEC is still emerging (very slowly) but it will take a good deal of effort and persuasion by Britain and the other more liberal countries to prise open this restrictive policy. It is more than coincidence that among the countries *which have adopted the tightest* quotas *for international road* freight traffic are Germany and France.

U.K. hauliers have long complained that they cannot get enough licences from these countries to satisfy the demand. As Mr. R. P. Duffy, senior executive officer of the Road Haulage *Association, once commented:* "Continental hauliers, who previously had a 'let us not bother' attitude about the U.K. trade now realise that it is a profitable market and they are wanting their share." He saw this and the pressure from Continental railway interests as being *among the fundamental reasons* for limited quotas.

There are *encouraging signs,* however. The European Commission seems to be moving away from a strictly regulatory approach to road transport capacity and tariffs.

The EEC transport policy proposals, published in late October, said that the long-term goal should be the abandonment of detailed regulations; that *permit quotas should give way* progressively to simple supervision of capacity and that, in turn, should lead to "the removal of all constraints on the formation of transport weights."

This latter point hints at the *EEC's strategy*. It hopes to cool the bitterness aroused by the lorry *weights and sizes issue* by presenting a much broader *transport context.*

The success of this approach largely depends on the attitude of Britain and France. They have led the cause for two opposing factions—Britain, on the one hand, anxious to keep lorry axle weights as low as possible. France urging a much higher level of weights.

The proposal at present is for 11-tonne axle weight: too high, says Britain's Minister for Transport Industries, Mr. John Peyton—that could cause perhaps £200m. worth of damage to roads and bridges in the U.K., he says. The proposed 40-tonne overall weight is also considered too high, although one senses that Mr. Peyton is less adamant *here and that he could be using* this as a negotiating ploy.

Public concern

Although the public has expressed general concern about *the possibility of doors* opening to bigger lorries, the dimensions—as Mr. Peyton told conservationists — are very similar: the biggest lorry in Britain is only 18 inches smaller than the 51 feet maximum of Continental vehicles.

If Britain, then, is to see the welcome liberalisation of European transport policies it may well have to concede some changes in lorry weights and sizes. This would be welcomed by the Road Haulage Association for one which has said that if the EEC's proposed gross weight of 40 tonnes were adopted *for the "Euro-lorry"* the work of Britain's 65,000 lorries over eight tons unladen weight could be done by 52,800. Bigger lorries would make the U.K. Government's plans for recommended lorry routes—*roads capable of taking the* so-called juggernauts — even more imperative, however.

In many ways the public controversy over heavy lorries—and the persistent defence and "educational" pronouncements by those *inside the industry*—has largely overshadowed other provisions of the EEC's transport policy which could have *even bigger repercussions.*

These include the reduction of drivers' hours and changes in drivers' records which could, in many instances, increase the cost of transport. The compulsory use of tachographs—long regarded as the "spy in the cab" by drivers—could spark off some *tricky industrial relations prob-*lems.

The road to liberalisation and harmonisation will be a long and bumpy one. And in many instances it will be one which will have to be navigated by domestic as well as international hauliers. For Britain, as a member of the EEC, will increasingly come under the influence of the European transport policy whether it likes it or not.

British Oxygen may bid for the American Airco to form the largest industrial gases company in the world. **RAY DAFTER reports.**

Waking up to a U.S. adventure

A CITY banker once described the world industrial gases market as a "cosy carve-up." Until comparatively recently the handful of major companies dominating the industry did have a fairly comfortable life. Gentlemen's agreements ensured that competitors did not encroach on each other's territories.

Just how much the situation has changed is highlighted by British Oxygen's new interest in the U.S. industrial gas and welding equipment markets. BOC is currently planning a major expansion through the acquisition of all or part of Airco Inc., another of the world's leading companies. If a bid is made — a decision is expected within the next few weeks—it would probably be worth around $200m.

If successful, it would result in an undertaking with a total turnover of about £500m. and some £480m. worth of assets. Individually the two companies are about the same size; together they would be the biggest company of its kind in the world—a giant in an industry dominated by giants. Yet it is true to say that BOC would not have been in a position to contemplate such an ambitious move had it not been for its traumatic experience in 1956 and the following few years.

Sleepy

BOC was then a somewhat sleepy and self-satisfied undertaking in a monopolistic market in Britain. It was shaken out of its slumber by a Monopolies Commission report which demanded that its costs and prices should be made public. To make matters worse, a relatively new U.S. company, Air Products, was successfully whittling away BOC's home market.

Mr. Leslie Smith, BOC's chairman, recognises that in a perverse way Air Products did the British group a great favour. "We woke up. I think if Air Products had not come along at that time we would have had to invent it." A radical reappraisal of its competitive approach and a new management structure was forced upon BOC. Air Products had managed to gain 25 per cent. of the U.K. industrial gases market (the rest still lies with BOC) but, as Smith says, "the invasion has been neutralised."

Difficult

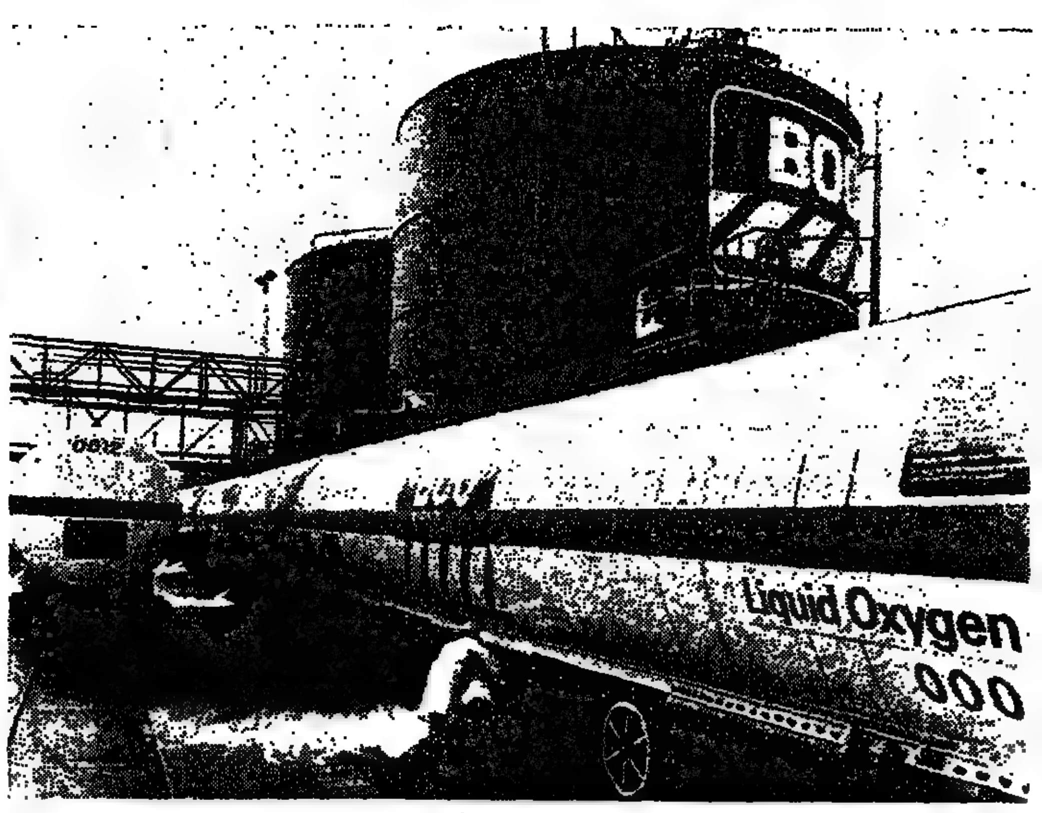
Apart from a recent sally into Brazil the expected bid for Airco would be the first serious attack on an overseas market outside the Commonwealth. BOC already has considerable interests abroad, but most of these are in Commonwealth countries—a throwback to when the whole industry tended to be nationalistic. For many years these overseas businesses in Australia, Canada, South Africa and New Zealand were providing the biggest growth areas and the bulk of profits. Now the profit split between home and overseas is nearer 50—50.

As industrial gases are used mainly in steel making and metal fabricating processes — welding and cutting—the main growth areas are obviously industrialised countries. Although BOC has a few interests in Europe and sees Japan as having "very interesting possibilities," it is looking towards the U.S., the world's biggest market, for its first major overseas drive.

Statistics about the overall size of the industrial gases industry are difficult to come by, mainly because the companies do not give a break-down of their sales figures. But an estimate of around £1,000m. for world sales seems reasonable.

Apart from Japan — where the market is dominated by the steel-making industry — the world scene is dominated by seven companies which between them account for about 80 per cent. of sales. Both BOC and Airco—formerly Air Reduction—figure prominently in this seven, which also includes L'Air Liquide, the Linde division of Union Carbide, the German Linde company, Air Products and Chemicals, and Messer-Griesheim.

Mr. Leslie Smith, BOC chairman.



BOC's complex at Widnes, Lancs.: Now for the overseas market.

Apart from Air Products the list looks very similar to that of 50 years ago. But the trading pattern has changed considerably. No longer do they operate in cosy corners of the globe; between them they have woven a complex web of overseas operations, almost always based on local production capacity.

The industry must be one of the very few not worried about feedstock problems at present. As one executive put it: "The good Lord has provided an abundance of air right on our doorstep—wherever we are." Transporting the processed gases has always been too specialised and costly to be commercially practicable, particularly over long distances. This has meant companies setting up production plants — air separation units—in overseas markets.

Guaranteed

With new plants costing up to £4m. for a 700-ton-a-day production unit, companies venturing into new areas want to be sure that they have a guaranteed market. And in many cases they haven't; the sitting tenants hold the whip hand. For three years Air Products had an office in Australia, presumably with the object of finding a market opening. The office has now been closed—much to BOC's joy. With the memory of Air Products' push into the U.K. also still in the minds of BOC, the U.S. venture therefore has something of a tit for tat ring about it.

Smith says BOC is contemplating "buying" its way into the U.S. for two main reasons. It would be too expensive to start a green-field operation—possibly £20m. for just one plant and distribution network, and that would not be enough—and secondly, it would be too risky. L'Air Liquide presumably came to the same conclusion when it invaded the U.S. and Canada through acquisitions a few years ago. ICI, in a different but closely connected chemicals field, did the same.

But the oddity about the BOC-Airco deal is that the two have in a sense been here before. In 1967 they formed a joint venture in large-scale oxygen-making plant, using Airco's market experience in the U.S. and BOC's plant construction and U.K. experience. But the venture never really got off the ground. It coincided with a recession in the industry in North America and as a result little business came from the Airco end of the deal. The ties were unwound in 1971.

It was, Smith says, a "tiddly-push" venture with a joint investment of just £4m. or so. Nevertheless it cemented relationships and gave each company an insight into the other's affairs. The break was also amicable, for just after the dissolution of the partnership Airco gave BOC a couple of orders for air separation plants worth around £1m.

Smith points to this relationship as one reason for trying to bring Airco into the BOC group. A second important factor is the two companies' totally different markets. Unlike the other members of the Big Seven, Airco has been rather reserved and has ventured little outside the U.S. BOC, on the other hand, has not yet penetrated the American market. So there is no overlap or conflict of market interests.

Thirdly, the companies are very similar. Each has a business based on industrial gases, welding products and medical equipment. In BOC's case these three represent about 75 per cent. of total world turnover; in Airco's case they account for about 65 per cent.

Logic

Smith believes that Airco's biggest asset is the medical equipment business. This sector of the market, in which BOC also has a considerable interest, is probably the fastest growing of each company's business. The world-scale market for lung function equipment alone is expected to reach £124m. by 1980, adjusted to to-day's values, three times the 1971 figure.

"We say that an amalgamation of our interests makes industrial logic. Now it is up to the City to see if it thinks the same," Mr. Smith comments, touching on one of BOC's main areas of concern in this whole business. BOC is well aware it is not the blue-eyed boy of the City. Although the company has worked hard in recent years at improving its performance and financial image, it is aware that failings of the past have not been forgotten. BOC is clearly disappointed that when its Airco plans were announced its share price dropped 4p, although it tried to take comfort from the fact that the whole market was thoroughly depressed anyway.

Problem

Part of BOC's problem—at least in some City eyes—is that it carries such a high proportion of debt to capital employed. At present this gearing is nearing 50 per cent., far higher than normal industrial companies. Smith maintains that this is acceptable in a business protected to a large extent by long-term tonnage contracts. These contracts have even given rise to a unique capital-raising scheme in the U.K.—special "tonnage debenture stock," secured on these long-term contracts.

If BOC raised all the money for the bid on the Eurodollar market, the gearing could go as high as 65 per cent. This is recognised as unacceptable, so it seems likely that the company will try to raise around £25m. of equity. (The method has yet to be disclosed, although I understand it is unlikely to be a rights issue in view of the current market circumstances.) This would make the gearing between 55 and 60 per cent.

What the City will think of this remains to be seen. BOC recognises the risks; but feels they are worthwhile in order to boost growth. It would be ironic if the City, which once castigated the company for being too conservative and sleepy, now attacks it for being too adventurous.

Labour News

ASLEF to consider strike calls to-day

BY JOHN ELLIOTT, LABOUR EDITOR

CALLS FOR official industrial action by train drivers are expected to be considered to-day by the national executive of the footmen's union, the Associated Society of Locomotive Engineers and Firemen. This follows the breakdown pay talks with British Rail on Friday.

It is thought, however, that all main services will operate normally to-day, following agreement among men in ASLEF's south-east division to await the outcome of the executive meeting and to postpone their industrial action, which had been expected to hit Southern Region commuter services.

Officials of the union in London were busy until late last night trying to ensure that this line was held, and that no groups decided at the last minute to go their own way. But these initiatives appear merely to postpone what has been regarded for some months as an almost inevitable confrontation on the railways this winter.

The problem stems from two sources. ASLEF is not happy with a wage restructuring exercise covering all British Rail workers, which would give train drivers pay rises of up to £6.20 a week.

Rail unions also want their normal annual pay increases next spring, in addition to the restructuring rises. This seems impossible under the Government's Stage Three Pay Code.

ASLEF's national executive has been under pressure from its local branches for some time, to call industrial action, but has voted overwhelmingly to work normally up to now.

The National Union of Railwaymen's national executive, which is willing to accept its wage restructuring package, also meets this week.

One-day docks strike to-day

SCATTERED BUT serious disruption of major ports is expected to-day when dockers in London and Liverpool, and elsewhere react to an unofficial call from militant shop stewards for a one-day strike over pay.

Merseyside docks will be shut, with some 7,500 dockers attending a mass meeting on the shop stewards' call for 20 per cent. wage rises.

Some dockers in London's Royal group are expected to stop work and there may be support in Hull, even though the Humber dockers have accepted pay increases.

Demands for staff status by Vauxhall toolmakers

BY ROY ROGERS, LABOUR CORRESPONDENT

VAUXHALL MOTORS—General Motors' U.K. subsidiary—is to be presented with demands for staff status for its 3,500 toolmakers and electricians along the lines of similar concessions made by Chrysler U.K.

The Amalgamated Union of Engineering Workers is to ask for a meeting with Vauxhall management at which to press for staff status for all "H1" grade top skilled workers. The EPTU is expected to support the claim.

This move appears to be due largely to pressure from toolmakers at Vauxhall's Luton plant and electricians at the Ellesmere Port, Cheshire, works following settlement of the 14-week strike of electricians at Chrysler U.K.'s Coventry plants by way of a staff status deal including pay increases of £336 a year.

The Chrysler electricians' deal which has still to be cleared by the Pay Board—itself followed staff status concessions made to Chrysler toolmakers last year. It is the anomalous situation caused by the Chrysler electricians' staff status deal being caught up in the Government's pay legislation that formed the basis of the Chrysler settlement.

At Vauxhall, however, there would appear to be no such anomaly, since neither toolmakers nor electricians currently enjoy staff status.

These top skilled craftsmen may well find that they will have to be content, for the time being, to remain in the national pay and conditions negotiating machinery which over the next month or two will begin negotiating the company's general new pay deal for implementation next March.

Negotiations are to start soon at Ford Motor, too, where union negotiators have said they will lodge their claim for substantial pay increases and other improvements next month.

TWO WAGES COUNCILS TO GO

By Our Labour Staff

Two wages councils, covering the brush and hair and fibre manufacturing industries, are to be abolished by the Department of Employment, because a national joint committee, set up in 1971 to cover the two industries, has successfully negotiated national wages and conditions agreements.

The two councils are the Brush and Broom Wages Council and the Hair, Bass and Fibre Wages Council.

Sterling Metals probe sought

THE Commission on Industrial Relations has been asked by the Department of Employment to investigate labour relations at Sterling Metals, of Nuneaton, an important supplier of castings to the motor and aircraft industries.

In the last few years there has been a spate of small disputes at the plant, which employs about 2,000 people, many of them immigrants.

Sir Alec arrives for Moscow talks

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

MOSCOW, Dec. 2.

SIR ALEC DOUGLAS-HOME, the Foreign Secretary, arrived here this afternoon for three days of talks with Soviet leaders which will centre on East-West relations where views differ widely, and the Middle East where there is broad agreement.

The visit also marks a return to normality in Anglo-Soviet relations after two years of coolness caused by Britain's expulsion of 105 Soviet diplomats in 1971.

Sir Alec, who arrived by RAF jet, was greeted in sub-zero temperatures at Moscow Airport by Mr. Andrei Gromyko, the Soviet Foreign Minister, with whom he will be holding most of his talks.

Outspoken line

Improvements in Anglo-Soviet relations have been held up mainly because of the otspoken line taken by Britain on the political and military aspects of East-West relations. The Russians have objected to Britain's demands for greater liberalisation of East-West contacts and and an acceleration of political and defence integration in the EEC.

Sir Alec's position at these talks, which get under way to-morrow, will be governed by the belief that the Russians are no less determined now than before to extend their power and influence by every means short of war, and that detente is a tactic to achieve these ends.

He is therefore expected to stress that if the Russians genuinely wish to reduce tension in Europe they must make meaningful concessions at the European security conference and the troop cut talks in Vienna.

For their part the Russians probably welcome this opportunity to put their case to a leading West European power at a time when attitudes towards Moscow are hardening throughout the EEC. A stronger and more united Community is not in their interest, and they need to gain greater trust in West Europe if they are to have any success in checking this hardening process.

On bilateral relations, British officials have already noticed improvements at the working level and expect the Russians to be interested in a genuine dialogue. But trade has not picked up and Sir Alec is expected to press the Soviet Union to buy more from Britain.

The two countries see eye to eye on the Middle East and will be discussing ways of achieving a settlement. Britain does not believe that the Russians incited the Arabs to use the oil weapon, but Russia does not support British participation at the Middle East peace conference.

The Russians are unlikely for political and supply reasons to offer Britain oil but if they do Britain has stated it would be interested.

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Meriden workers' co-operative plan

BY PETER CARTWRIGHT

COVENTRY, Dec. 2.

PROPOSALS THAT could lead to the formation of a workers' co-operative by the end of the week to reopen and run the Triumph motor-cycle factory at Meriden will be put to a mass meeting to-morrow.

If accepted it could vindicate the stand taken by the 1,750 workers, the Transport and General Workers' Union—the majority union—and particularly the initiative of Mr. Leslie Huckfield, the Nuneaton MP, and Mr. Bill Lapworth, the union's South Midlands organiser, who brought the negotiations for a co-operative to a point where it could be accepted by the Department of Trade and Industry.

Norton-Villiers Triumph, the company formed last July with nearly £5m. of Government funds to create a healthy industry after the financial collapse of the BSA-Triumph concern, decided to close Meriden in mid-September. Ever since, workers' representatives have argued that unless Triumph could continue to produce—it contributed about two-thirds of U.K. output—the American market might be irretrievably lost and the future of this export-oriented industry jeopardised.

In opposing NVT's plan to transfer production to the BSA factory at Small Heath, Birmingham, the workers have blockaded the Meriden plant. This is continuing round the clock although employees were paid off three weeks ago.

The argument for trying during the reconstruction to continue serving the U.S. market, which has been taking nearly nine out of every ten Triumphs made, was apparently accepted by Mr. Christopher Chataway, Minister for Industrial Development, during a visit to America last week, when he met a number of dealers there. He was accompanied by Mr. Harry Urwin, assistant secretary of the TGWU, who is also a member of the Industrial Development Board involved in the setting-up of NVT.

On his return, Mr. Chataway initiated a meeting at the DTI on Friday to seek a formula for reopening Meriden and was himself present for all but the last three hours of the 11-hour discussions. These were attended by Mr. Lawrence V. D. Tindale, director of the IDB, Mr. Dennis Poore, NVT chairman, Mr. Geoffrey Fawn, managing director of NVT Manufacturing, and Mr. Urwin. When the point was reached at which the attitude of workers was needed to the principles tentatively agreed, three worker representatives were brought post-haste from Meriden.

I understand that the basis of the proposals are for Triumph at Meriden to concentrate on twin-cylinder machines—of which, dealers told Mr. Chataway, they could sell 1,000 a week in the U.S.—while Small Heath would concentrate on three cylinder models.

Conflict in Labour Party aggravated

BY PHILIP RAWSTORNE

THE LABOUR PARTY'S internal conflict boiled over again yesterday, less than a week after Mr. Harold Wilson's attempts to cool the damaging row between his Left and Right wings.

Sir Reginald Goodwin, leader of the Greater London Council, and Mr. Ashley Bramall, leader of the Inner London Education Authority, headed a group of Labour "moderates" who, in a letter to Mr. Wilson, declared their support for the recent stand taken by Mr. Reg Prentice, "shadow" Employment Secretary against the "sillier forms" of Left-wing militancy.

Mr. Prentice, who was warned last week to watch his words, publicly welcomed the support. Mr. Wilson informed Sir Reginald with icy curtness that his action hardly helped to re-establish party unity.

The Opposition Leader's anger was intensified by the fact that newspaper reports of the declaration overshadowed his own week-end speech.

Mr. Wilson told a party meeting in Leeds that the next Labour Government would in its first three years, increase pensions, impose price controls on essential foods and other goods, nationalise development land and ensure reasonable housing rents and mortgages, introduce a wealth tax.

COMPANY NEWS + COMMENT

Caplan Profile pays 8p: scrip issue

IN LINE with the forecast of a "substantial advance" in pre-tax profit Caplan Profile Group reports an increase of 51.51 per cent. to £452,203 for the year to August 31, 1973, after £223,242 for the first half. Earnings for the year expanded from 9.19p to 12.78p per share.

A final dividend of 3.5p net per 10p share, equal to 5p gross, makes a gross total of 8p, against 2.5p for a broken period, and a one-for-two scrip issue for holders registered on January 7 is proposed. The company, manufacturers of office furniture and expanded polystyrene, was made public in June 1972.

Despite "the enormous rise" in the cost of imported raw materials experienced during the second half, profit margins for the year were maintained, reflecting a considerable increase in productivity made possible by the rationalisation programme embarked upon early in the year, says the chairman, Mr. Ian Caplan.

Current production and sales are running at a much higher level than the corresponding period last year, "and we are confident that subject to an uninterrupted supply of our essential fuels and materials, we can look forward to satisfactory results for the current year," the chairman adds.

	1972-73 £	1971-72 £
Group turnover	1,967,5[illegible]	1,7[illegible]
Profit before tax	452,203	298,469
Taxation	196,594	114,740
Net profit	255,609	183,729
Ordinary dividends*	112,000	30,000

* Final dividend payable January 7

● comment

Caplan Profile shares were offered for sale in June, 1972, at 120p and now stand 6p above that price despite the bear market that has persisted since then. The 1972-73 results are very creditable and although the maintenance of profit margins over the year disguises a reduction in the second-half as material costs rose, the situation has since been restored by price increases which did not begin to take effect until towards the close of the year. With demand continuing at a high level and production capacity being enlarged, the only cloud on the horizon would seem to be raw material supplies; but the management is satisfied that the group's plastics division is not unduly hazarded by its dependence on expandable polystyrene. The shares on a p/e of 10.8 fairly balance the risks and possibilities.

AURORA GEAR

At the annual meeting of Aurora Gear and Engineering, chairman Mr. Robert Atkinson told shareholders that the performance during the first four months of the current year showed a considerable improvement on last year. Barring a distinct turndown in the economy another successful year was forecast.

He added that the acquisition of Anderton-Forco Industries was intended to strengthen the operational base and give improved stability to profits.

HIGHLIGHTS

For sheer size **Pilkington Brothers** stands out in this week's list of those reporting half-year figures; these are expected on Thursday, when interim statements are also due from **Turner and Newall, Coalite and Chemical** and **Racal Electronics**. To start the week there is a half-year statement later to-day from **Rugby Portland Cement**; to-morrow **International Computers (Holdings)** will be reporting for the full year and on Wednesday **Mercantile Credit** will be producing full-year figures and **Francis Parker** a half-term statement. Thursday will bring in results from **Mitchell Cotts** and **Whessoe**, and to close the week half-year statements are due on Friday from **Lennons Group** and **Scapa Group**.

Dunbee-Combex link with Pizzey

Dunbee-Combex-Marx, the toys-to-DIY group, announces that agreement has been reached with Pizzey, of Australia, a leading toy company quoted on the Australian Stock Exchange, for its appointment as exclusive distributors of certain products from DCM's Rovex division.

The agreement calls for Pizzey to purchase, over a three-year period, not less than £2m. of "Hornby" railways, "Scalextric" car racing, "Frog" kits and "Sindy" fashion dolls. These products, manufactured by the Rovex division of DCM, have been distributed in Australia for almost 20 years, mainly through the previously wholly-owned Lines Bros. subsidiary in Australia.

Both DCM and Pizzey feel that this is a major step and will further enhance the sales of these products. Pizzey has a specialised national distribution network and will stock and sell the merchandise from its five regional centres.

The directors of both companies have also agreed, subject to the approval of the Pizzey holders, that DCM will have the option of acquiring new issue shares to give it an approximate 10 per cent. stake in the total equity of Pizzey. Such option is exercisable by DCM for a period of 12 months from December 1, 1973, at $A1.20. The net asset value of Pizzey shares is estimated at $A1.80 each, it is stated.

Louis Edwards forecasts big advance

Current year profits of Louis C. Edwards and Sons (Manchester), butchers, meat canners and processors, are expected to be significantly ahead of the £283,471 achieved in 1972.

In the first six months profits are down from £125,238 to £97,006—an indication of difficulties experienced in the fresh meat sector, explain the joint chairmen Mr. L. C. Edwards and Mr. D. J. Edwards.

In the second half, however, the company will benefit from improving trading conditions in fresh meat together with the strong recovery of the manufacturing division.

	28 weeks 1973 £	28 weeks 1972 £	Year 1972 £
Extrnl. trovr.	10,048,329	9,380,738	19,716,012
Profit	97,006	125,239	283,471
Taxation	46,100	50,100	137,147
Net profit	50,906	75,139	146,324

Lovell's down £60,000 in first half

Following the warning at the annual meeting that first half results of Lovell's Shipping and Transport Group would be disappointing, chairman Mr. D. D. Lovell reports taxable profits down from £101,100 to £41,600 for the six months ended June 30.

This situation continued through the summer. The fourth quarter—often the best trading period—has started on a better note, but the chairman feels it is still too early to give a firm forecast for the year.

The interim dividend is unchanged at a gross equivalent 2p per £1 share—1.4p net. Total for 1972 was 9p, paid from profits of £149,300.

	Half-year 1973 £	Half-year 1972 £
Trading profit*	81,000	120,900
Franked income	5,000	—
Interest payable	24,400	19,800
Written off comptr. dev.	20,000	10,000
Profit before tax	41,600	101,100
Taxation	20,200	45,500
Net profit	21,390	55,600
Minorities	1,200	2,200
Attributable	20,100	53,400

* After charging depreciation £112,000 (£111,000) and leasing charges £47,800 (£49,000).

Profit slips at James H. Dennis

For the 56 weeks ended August 31, 1973, engineers James H. Dennis reports a drop in taxable profits from £108,733 to £90,673. Earnings per 10p share fell from 2.86p to 2.45p.

Tax takes £33,631 (£29,314) leaving a net profit of £57,042 (£79,419).

The dividend is lifted from 2p to 2.1p, with a final payment of 1.1p—0.77p net, absorbing £29,380.

FT Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times:—

Bell and Howell (Section: Americans).

British Match Corporation 10 per cent. Convertible Unsecured Loan 1983-88 (Section: Industrials).

Compagnie Francaise des Petroles (Section: Oils).

Hutchison Properties (Section: Properties).

Lowe and Brydone (Printers) (Section: Paper Printing).

Meekatharra Minerals (Section: Mines—Australian).

Ovenstone Investments (Section: Industrials).

Perrier (Section: Overseas—Paris).

Richardson-Merrell (Section: Americans).

Verenigde Machinefabrieken NV

Wace Group (Section: Paper Printing).

RTZ Pillar

RTZ Pillar intends to redeem the outstanding loan capital of two U.K. subsidiaries to allow a more flexible corporate structure.

Proposals will be submitted to the holders of the outstanding £357,643 8½ per cent. debenture stock 1987/92 of Faulkner Greene and Company for the redemption at £85 per cent., plus accrued interest. The stock is listed on the London Stock Exchange.

Proposals will also be submitted to the holders of the outstanding £89,000 4½ per cent. debentures of Pillar Commercial Companies for redemption at £47 per cent., plus accrued interest. These debentures are not listed.

RTZ Pillar is a wholly-owned subsidiary of The Rio Tinto-Zinc Corporation.

Mr. T. C. Hudson, chairman of International Computers (Holdings), who is due to-morrow to announce the group's preliminary results for the year to September 30, 1973.

UNIT TRUSTS

UNICORN EXTRA INCOME

The income distribution to shareholders in Unicorn Extra Income Trust for the six months to October 15, 1973, is a net 0.5114p per share.

The report to shareholders explains that the distribution "is less than expected due entirely to the decision by a number of companies, in which substantial investment has been made, to defer payment of dividends for tax reasons until early in 1974. Liquidity was maintained at over 10 per cent.

JESSEL PLANTATIONS

The managers of the Jessel Plantations and General Fund are making a net distribution of 120.1p per 100 units for the six months to October 20, against 100.80p for the corresponding period of 1972. The 1973 total is 285.21p per 100 units. The fund is primarily invested in rubber, tea and sugar producers and—despite the latest dip in share prices—the managers point to the renewed buoyancy of rubber in world commodity markets.

OCEANIC FUNDS

The distribution on the Oceanic Growth trust for the six months to September 30, 1973 amounts to a net 66.3p per 100 units net against 58.8p for the corresponding period last year. The total for the year is 126p net per 100 units against 96p net for the previous year.

The interim distribution of the Oceanic General trust over the same period is 41.2p net per 100 units against 25.5p for the corresponding period of 1972. The total for the year is 70.1p net (50.1p).

P & M INCOME

The net income distributions of P and M Income Fund for the year to October 5, 1973, totalled 1.08p per unit compared with the corresponding figure of 0.892p for the previous year. The fund's largest sector is engineering (21.9 per cent.) and the cash level is relatively low at 3.1 per cent. The total value of the fund is £361,000.

MORGAN GRENFELL EXEMPT

The final net distribution of 1.4p brings the total distribution by Morgan Grenfell Exempt over the year to 2.4p net, and the resulting gross return of 3.4 per cent. on the original offer price exceeds the initial advertised yield of 2.5 per cent.

At September 30 the fund was 16 per cent. liquid and the property sector amounted to 19.7 per cent. of the total portfolio. The Fund's largest holdings were in Berkeley Hambro and Stock Conversion.

SCOTINCOME

The Scotincome distribution for the half-year to October 1 is 92p per 100 units, compared with 75p for the corresponding period last year. The total 1973 distribution is 178p per 100 units, against 140p in 1972.

LONDON SCOTTISH FINANCE

Addressing the annual meeting of London Scottish Finance Corporation (formerly Refuge Securities) Mr. Harry Livingstone, the joint chairman, said that trading to date in the current year indicated a further satisfactory improvement both in the level of business and in group profitability, with the London Scottish Banking subsidiary making a significant contribution. Despite present difficulties, they looked for further growth in the results for the current year.

"London Scottish is expanding the scope of its operations in anticipation of the day when the Consumer Credit Bill becomes law and new offices are planned for areas in which the group is not represented as fast as economic conditions and our own resources allow," Mr. Livingstone added.

COMPANY NEWS IN BRIEF

ALLIANCE INVESTMENT COMPANY—Total revenue half-year ended October 15, 1973, £234,206 (£232,500). Franked investment income included £143,900 (£145,200). Interest and expenses £75,700 (£53,800). Estimated taxation £30,300 (£1,900). Net revenue £108,200 (£147,900). Investments at valuation £14,603,400 (£15,079,100 April 15). Net asset value (including full dollar premium) per 25p Ordinary share 235p (280p). Total revenue and estimated taxation include the tax credit of £42,900 on franked income receivable after April 5, 1973.

ATTWOOD GARAGES—Interim dividend 2.45 per cent. net, equal to 3.5 per cent. gross (same and 8.5 per cent. total). Group turnover (excluding purchase tax, car tax, VAT and inter-company sales), for half year ended July 31, 1973 £3,314,991 (£3,334,920), profit before tax £44,752 (£45,548), taxation £21,481 (£18,200), net profit £23,271 (£27,348), dividend £12,863 (£18,375). Earnings per 25p share 1.11p (1.30p). Although new vehicles were difficult to obtain, trading results for third quarter were satisfactory. Continuing shortage of cars and commercial vehicles, and introduction of petrol rationing, may have adverse effect on trading for last three months of current year. It is considered unwise to attempt to forecast final result.

BELGRAVE ASSETS—Results for 13 months to September 30, 1973, reported November 21. Investments £457,665 (nil). Current assets £200,112 (£198,237) and liabilities £28,515 (£13,069). Chairman says, due to present high interest rates, and also as a large percentage of the income to September 30, 1973 was interest, shareholders are advised that this year's dividends should not necessarily be taken as a guide for the future. Meeting, Winchester House, E.C., September 19, 11.30 a.m.

CAMBRIAN AND GENERAL SECURITIES—Results, year to September 30, 1973, reported November 21, with net asset value. Quoted investments £2.9m. (£2.29m.) at middle market value £4.03m. (£4.43m.) and unquoted £45,000 at directors valuation being cost. Directors confident over longer term and with constant surveillance portfolio will continue to sustain growth. Meeting, Marsham Street, W., December 17, at 2.30 p.m.

CARDIFF MALTING (Manufacture and sale of malt and investments in freehold and leasehold property)—Final 5.25 per cent. net equal to 7.5 per cent. gross making 12.5 per cent. gross (same) year to September 30, 1973. Group turnover £249,803 (£227,600). Net profit £11,141 (£15,512) after tax of £10,400 (£11,349). Earnings per 20p share 1.6p (2.2p).

CHAPLIN HOLDINGS—Holding company's profit half-year to June 30, 1973, was £34,731 (£29,093) after tax £11,760 (£6,707). Separate consolidated results of subsidiaries show group profit after tax £63,176 (£27,421). Profit applicable to members of holding company £32,199 (£13,624).

GRAND CENTRAL INVESTMENT HOLDINGS—Results for 1972, reported November 19. Investments £160,213 (£197,774). Market value £261,315 (£224,061). Unquoted investments £30,000 (same). Associated company £171,269 (£169,061). Subsidiary estate companies £1.49m. (£1.56m.). Meeting, 37, Queen Street, E.C., December 19, noon.

DOMINION AND GENERAL TRUST—As known interim dividend 1.4p net per Ordinary 25p share equivalent to 2.0p gross (1.975p). Does not imply an increase in total dividend for year ending April 30, 1974—6.375p. In August Trust repaid D.M.3m. loan. Despite repayment overall percentage, including cash, invested directly overseas is now 33.0 per cent. (32.6 per cent at April 30, 1973). Percentage invested in North America has increased to 33.2 per cent. from 26.5 per cent. Gross income—franked for six months to October 31, 1973, was £134,384 (£131,509), unfranked £89,235 (£35,953), making £223,619 (£167,462). Interest and expenses £50,651 (£43,506). Cost of dividends (net) Preference £6,125 (£5,360), Ordinary £38,800 (£48,234). Total net assets £10.2m. (£11.4m.). Net asset value of Ordinary 25p share 209.5p (232p) including whole of dollar premiums of 24¾ per cent. (20¼ per cent.). Franked investment income includes relative tax credit. Corporation tax liability for period £11,630 (nil) and overseas tax suffered £7,662 against £5,173). No provision made for tax on capital gains realised since April 30, 1973, but this tax would have amounted to about £58,000. Net asset value has been calculated after allowing for interim dividend and deducting prior charges at par.

R. A. DYSON AND CO. (trailer makers and engineers)—Interim 0.525 pence per share net equal to gross dividend of 0.75 pence (1.25 pence). Loss half-year ended September 30, 1973 £32,417 (£14,106 profit). Investment income £1,130 (£2,496). Total loss £31,287 (£16,602 profit). Upturn in business has been considerable both at home and overseas, and company now has an excellent order book. However, with lead times necessary to obtain materials and components, a considerable time lag occurs before orders are processed into actual vehicles. It was therefore only towards the end of half year that output really began to increase. During intervening time it was necessary to retain labour and operate factory under capacity in order to be in a position to take advantage in due course of the upturn in business. The factory is now operating on a profitable basis and every effort is being made to recoup the situation. The chairman hopes that the year as a whole will be one of recovery with a return to profitability.

EMU WINE HOLDINGS (controlled by Chaplin Holdings)—Group profit, half-year to June 30, 1973, was £63,349 (£26,976) after tax £9,632 (nil). Attributable to company £61,317 (£25,860). Figures for 1973 do not include results of Imported Wines, which was sold with effect from January 1, 1973.

J. W. HENSHALL AND SONS (ADDLESTONE) (Manufacturers of aircraft components)—Interim dividend nil (same and total 4 per cent.) for year to March 31, 1974. Turnover £567,973 (£407,472) for half year to September 30, 1973. Trading profit £39,857 (£30,035). Tax £19,928 (£12,000).

IRISH INVESTMENT COMPANY—Net asset value per 25p share at September 30, 1973 was 84.1p (at March 31, 1973, 84.3p).

JOKAI TEA HOLDINGS—Interim dividend 5.6 per cent. net, equal to 8 per cent. (nil—final single 8 per cent.). It is not intended to recommend any further distribution for year to March 31, 1973. Profit for 1972-73 will be lower than 1971-72. It is regretted that accounts for year to March 31, 1973, have been unduly delayed and it will not be possible to produce them in time for AGM. It is therefore intended to present the directors' report and statement of accounts at an EGM in January 1974. Meeting, 37, Mincing Lane, E.C., December 20 at 11.30 a.m.

JOREHAUT HOLDINGS—Chairman in interim report says Board expects aggregate investment income for 1973 to exceed £100,000 for first time. Net income available should improve over that of last year. In view of current substantial liquidity which company enjoys, Board continues to keep under review companies where, due to unsettled market conditions, investment opportunities and value are currently obtainable. Changes can therefore be expected in the portfolio but this will be consistent with policy of continued liquidity.

KIMPHER (advertising agency)—Interim dividend 2p gross or 1.4p net (same—total 6.3p). It will be directors' intention to pay maximum permitted increase with final dividend. Group pre-tax profit for six months to September 30, 1973, £166,000 (£139,000) after loan stock interest £24,000 (£20,000). Tax £68,000 (£79,000). Minorities £5,000 (£9,000). Attributable to company £93,000 (£101,000). Chairman reports that profit would have exceeded that for 1972 had it not been for shortfall in contribution from major operating company. Appropriate steps to remedy this situation have been taken.

MALAYAN TIN DREDGING—Results, year to June 30, 1973, already known. Group fixed assets £3.80m. (£3.6m.). Current assets £1.32m. (£2.90m.) and liabilities £3.93m. (£3.46m.). Meeting, 53-61, Moorgate, E.C., December 21, noon.

MARLER ESTATES—Interim dividend 2 per cent net, equal to 2.857 per cent. Pre-tax profit half-year to September 29, 1973, £13,659 (year to March 25, 1973, £46,413) after interest £23,765 (£6,988). Tax £8,773 (£19,392). Transfer from capital reserve equal to net outgoings attributable to properties held for or in course of development £9,727 (nil) and losses applicable to minorities £1,542 (nil). Distributable surplus £18,151 (£29,021). Board confident distributable surplus for year will be at least the £37,000 forecast in March.

NARBOROUGH (FMS) RUBBER—Pre-tax profit, four months to October 31, 1973, £34,300 (£9,500).

MERU GROUP—Results, year ended June 30, 1973, reported November 14. Group fixed assets £12,117 (£13,984). Investments £39,476 (nil). Net current assets £93,434 (£66,218). Meeting, 113, Park Lane, W., December 19, at 11.30 a.m.

PORTFOLIO INTERNATIONAL INVESTMENT TRUST—Dividend of 0.42p for period August 18, 1972, to September 30, 1973. Pre-tax revenue for period £41,530. Tax £17,103, leaving £24,427. Net asset value per 25p share 39.98p. Made public September, 1972.

SOUTHERN MALAYAN TIN DREDGING—Results, year ended June 30, 1973, already known. Fixed assets £1,707,000 (£1,593,000). Investments £1,356,089 (£1,368,141). Value £3,494,632 (£2,690,429). Dredge spares and stores £1,054,156 (£886,585). Current assets £1,099,052 (£1,435,944) and liabilities £2,362,940 (£2,555,016). Meeting, 53-61, Moorgate, E.C., December 21, at 12.15 p.m.

STEPHEN SMITH AND CO. (controlled by Emu Wine Holdings)—Profit, half-year to June 30, 1973, was £10,316 (£6,453) after tax £8,441 (£4,303).

UNITED INDUSTRIAL COMPANY (wholesalers of household electrical goods, etc.)—Results, year to June 30, 1973, reported November 20. In view of economic situation, it is very difficult to make a serious forecast for future. But all members of group are trading profitably and, on the basis of the figures and information available to us, "we have every hope that the solid improvement in company's fortunes will be maintained," says joint chairmen. Value of properties increased to approximately £550,000, against the April, 1972, professional valuation of £428,000 and the June 30, 1973, book value of £342,130. This now significant area of the group's activities (renting and leasing) warrants special attention for promotion and steps are under consideration in this respect. Meeting, Mostyn Hotel, W., December 20, at 2.30 p.m.

VIKING RESOURCES TRUST (made public March, 1972)—Revenue, six months to September 30 1973 £63,752 (£39,944) before tax £27,648 (£23,000). As major part of income is received in first half, surplus before tax for full year expected to be lower than that for first six months. Net asset value per 25p share, 113.7p (105.5p).

WANKIE COLLIERY—Results, year to August 31 1973 already known. Group fixed assets £26.51m. (£19.1m.). Net current liabilities £0.65m. (£0.51m.). Meeting, Salisbury, Rhodesia, December 14.

WEST OF ENGLAND TRUST—Following merger with Tyndall in August, Board has decided to extend current financial period to June 30, 1974, making it a 14-month period. Interim results for 8 months to December 12, 1972, will be announced in due course and the Board has declared interim dividend of 2 per cent. net equal to 2.857 per cent gross against 2 per cent., and a previous 8 per cent. total.

ISSUE NEWS AND COMMENT

Full details for Sanger offer

Lists open on Thursday, December 6 for the offer for sale by Hambros Bank of 3.6m. Ordinary 10p shares in J. E. Sanger at 90p per share. Also Merchandise and Investment Trust will purchase 250,000 shares at the offer level. Brokers are Panmure Gordon and Co.

The company markets meat and allied products on an international basis. It has reliable sources of supply in most meat producing countries and links supplies with the specific requirements of its customers. The general policy has been to buy entire carcases from meat works and, prior to shipment through the usual container and other refrigeration services to U.K. and Continental ports, to have them cut and packed to the customers' or their own specifications. About 70 per cent. of all imports into the U.K. are pre-sold.

In the nine months to September 30 some 51 per cent. of group purchases came from Australia, 14 per cent. from New Zealand, 12 per cent. from Argentine, 11 per cent. from North America and 6 per cent. from the U.K. The company has offices in London, Rotterdam, Paris, Hamburg, Dublin and Sydney.

Turnover of the group has risen from £4.57m. in 1969-70 to £26.82m. in the ten months to March, 1973. Over the same period pre-tax profits have advanced from £112,000 to £834,000.

For the first six months of the current year turnover was £23.67m. and pre-tax profits £836,000. For the full year profits are forecast at not less than £1,755,000. On the basis of these profits the directors intend to pay a dividend of 2.2p per share. Had the company been public for a full year then dividends totalling 4.4p would be recommended. At the offer price the gross dividend yield is 6.97 per cent. and the p/e 10.58.

● comment

Sanger's rapid growth during its short life has not been checked by Britain's entry into the EEC as might at first seem probable; practically all its meat is produced by countries outside the Community and is therefore liable to tariffs. The case has been that, with demand for meat fast outstripping supply, higher prices have been absorbed without any apparent effect on sales. So far from hindering growth, the larger market has enhanced prospects to the extent that some 34 per cent. of sales now go to the Continent. Couple this with sustained demand in the U.K., helped considerably by containerisation especially in the ready-cut-up trade, and inroads into new markets such as North America and Japan, and it seems Sanger has plenty of steam left. The one big doubt that comes to mind about such a rate of growth is the need to finance a much higher level of turnover—the offer proceeds are intended solely for this purpose. But a 10.6 multiple can comfortably take this doubt in its stride with such growth prospects on offer.

Prospectus Pages 10-11

Alginate Industries

Robert Fleming and Company have completed arrangements for an offer for sale of 1,250,000 Ordinary 25p shares at 130p each in Alginate Industries.

The business of Alginate comprises the collection, drying and milling of brown seaweed, the extraction therefrom of alginates and the worldwide sale of the resulting manufactured alginate products.

Alginates are used primarily in textiles printing and by the food industry but they can also be used in the manufacture of welding rods, in pharmaceutical tablets, for hardening photographic gelatine, as a flocculating agent in water treatment and in inhibiting the absorption of radio-active strontium.

The major part of the group's supplies are harvested off the Scottish islands and western Ireland and are dried and milled at the company's collecting stations in the Outer Hebrides.

Between 1968 and 1972 the group's profit has risen from £418,000 pre-tax to £472,000 on turnover up from £2,537,000 to £4,641,000. For the six months to June 30, 1973 the group turned in profits of £480,000 before tax on turnover of £3,095,000. For the full year to December 31, 1973 the group has forecast pre-tax profits of £900,000, of which £300,000 is likely to be attributable to the improvement in profit margins caused by increases in the sterling value of export prices.

On this basis the group intends to recommend a final dividend of 3p per share but in a full year as a public company the total would be 5p. At the offer price of 130p the shares would be on a net p/e ratio of 13.66 (13.5[illegible] excluding proceeds from the offer) and yielding 3.49 per cent. gross. The dividend would be covered 1.66 times excluding proceeds of the offer and 1.81 times including the proceeds.

Brokers to the offer are Cazenove and Company.

● comment

Alginate appears to have much to be said in its favour. Its products are supplied to a wide range of industries and it exports a large part of its output (74 per cent.). But the group is entirely dependent on one raw material and this raises questions of how much further it can penetrate the industries in which it is already active and what will happen to its profitability if at some time in the future a competitor introduces a successful substitute. These may be long-term worries. But at the offer price the shares are selling on a prospective p/e of 24½ — excluding exchange profits—and still look expensive for a company which has had no more than a modest growth record over the last five years despite a near-monopoly situation.

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BUILDING SOCIETIES TO MERGE

The directors of Oxford Provident Building Society and Rugby and Warwick Building Society have each unanimously resolved to recommend a merger of the two societies. Subject to the approval of members and the necessary statutory requirements being met, the merger will be effective at March 30, 1974.

Assets of the Oxford Society amount to £2.3m. and the Rugby and Warwick Society's assets total £37.5m.

INTERIM STATEMENTS

Pending dividends timetable

For the convenience of readers, the dates when some of the re important company dividend statements may be expected in next few weeks are given in the following table. The dates wn are those of last year's announcements, except where the thcoming Board meetings (indicated thus*) have been officially llished. It should be emphasised that the dividends to be declared l not necessarily be at the amounts or rates per cent. shown in column headed "Announcement last year." Preliminary profit ires usually accompany final dividend announcements.

	Date	Announcement last year
p Indusis.	Jan. 5	Int. 5%
ow (Engineers)	Dec. 13	Int. 9%
glo-American Group	Dec.	Dividends due
ior. Television	Dec. 13	Int. 11.3%
shford (S. and W.)	Dec. 20	Final 34%
ton Group	Dec. 10	Final 8%
ncron (J. W.)	Dec. 4	Final 16⅔% §
pital and Counties	Jan. 5	Int. 4%
stan Inds.	Dec. 12	Int. 7½%
ner House Group	Dec.	Dividends due
llers	Dec. 14	Int. 5½%
ncaster (Daniel)	Dec. 11	Int. 5%
s. Electric	Dec. 13	Int. 4.8%
neral Mining Group	Dec.	Dividends due
ld Fields Group	Dec.	Dividends due
mess Peat	Nov. 22	Int. 4½%
inness (A.)	Dec. 15	Final 21%
rdon Trust	Dec. 17	Final 15%
eringham Gravels	Dec. 10	Int. 1% §
son's Bay	Nov. 19	Final 35 cents
Gas	Dec. 9	Int. 6%
ital Services	Dec. 9	Int. 6%
ernational Compnd. Air	Dec. 13	Final 9%
annesburg Cons.	Dec.	Dividends due
Shoes	Dec. 6	Final 9% §
nt (Geo.)	Jan. 4	Int. due
C Intl.	Jan. 4	Int. 10%
nagement Agency	Dec. 7	Final 60%
Manbre and Garton	Jan. 2	Final 10½%
*Marley	Dec. 17	Final 10.2%
*Mercantile Credit	Dec. 5	Final 10½%
*Meyer (M. L.)	Dec. 18	Int. 4.4% §
*Mitchell Cotts	Dec. 6	Final 11½%
Pegler Hattersley	Dec. 15	Int. 10%
Philblack	Dec. 1	Int. 2½%
Philips' Lamp	Nov. 15	Int. 6%
*Pilkington Bros.	Dec. 6	Int. 5%
*Racal Electronics	Dec. 6	Int. 3½%
*Ranks Hovis	Dec. 4	Final 9½% §
*Ransome Hoffmann	Dec. 11	Final 6½%
Rediffusion	Nov. 24	Int. 5%
Rothschild Inv.	Nov. 12	Int. 4%
*Rugby PC	Dec. 3	Int. 7% §
*Scapa Group	Dec. 7	Int. 5%
*Scoteros	Dec. 4	Int. 3%
*Serck	Dec. 10	Final 4%
Standard and Chartered	Dec. 5	Int. 6%
Staveley	Dec. 13	Final 3.1%
Trafalgar Hse.	Dec. 13	Final 10% §
*Turner and Newall	Dec. 6	Final 7%
*Unigate	Dec. 19	Int. 3½%
Union Corpn. Group	Dec.	Dividends due
*United Gas Inds.	Dec. 12	Int. 2%
*Vaux Brews.	Dec. 14	Int. 1½%
Westland Aircraft	Dec. 7	Final 12%
*Whessoe	Dec. 6	Final 2½%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority Investments

LOCAL AUTHORITY loan rates showed a firmer tendency in the temporary and mortgage sectors last week, though business again appeared highly restricted in periods longer than a year or so.

Conditions, after the recent sharp adjustments, were relatively quiet, however, with movements in rates of modest size. The supply of day-to-day credit in the money market as a whole showed an uneven pattern, with the underlying factors not always closely reflected in apparent conditions day-by-day.

Loans to local authorities at 2 days' notice were unchanged on the week at 13¼-13¾ per cent., though there were minor fluctuations to either side of this level. The one-month rate rose to 14¼ per cent., from 13¾-14 per cent., the three-month to 15-15¼ per cent., from 14½-15 per cent., and the one-year to 15¾-15½ per cent., from 15¼-15½ per cent.

The Financial Times Government Securities Index again touched record low levels last week, falling 0.79 point on balance to 60.84.

One-year local authority bonds were placed at par, during the week, with a coupon of 15 per cent., to offer the same yield as on the previous week's batch.

Public Works Loan Board rates were raised further, in most cases, with effect from Saturday. Quota loans in general were increased by amounts of ¼ per cent. to ½ per cent., but there was a cut of ¼ per cent. in the case of loans for up to five years repayable by instalments. The new set of rates gives quota loans a range of 12½-13¾ per cent., varying with period and method of repayments.

Quota loan rates are intended to reflect central Government borrowing costs. In the case of non-quota loans, rates for which are intended to reflect conditions in the local authorities own money markets, there were increases of between ¼ per cent. and ½ per cent., to establish a range of 12½-14¼ per cent. The revised lists of rates appear on this page.

*Rate (%) November 30, 1973

2 days' notice (deposit receipt)	13¼—13¾
7 days' notice (deposit receipt)	13¾—13¾
7 days' notice after one month (deposit receipt)	14—14¼
7 days' notice after three months (deposit receipt)	15—15¼
7 days' notice after six months (deposit receipt)	15—15¼
Mortgage at one month's mutual notice after 11 months	15¾—15¼
Mortgage at one month's lender notice after 11 months (nominal term 2-5 years)	13½—14¼‡†
years' mortgage	14¼†
years' mortgage	14¼†
years' mortgage	14†
years' mortgage	13¾†
10 years' mortgage	13½†
30 years' mortgage	13½†

* Rates are for sums not less than £20,000 and are subject to local variations and fluctuations. † Nominal. ‡ Shorter period may attract higher rates than longer.

Public Works Loan Board rates

(Effective from December 1, 1973)

Years	Quota loans Repaid By instalments	Quota loans Repaid At maturity	Non-quota loans Repaid By instalments	Non-quota loans Repaid At maturity
Up to 5	13¾	13¾	14¼	13¾
Over 5, up to 10	13¼	12¾	13¾	13
Over 10, up to 15	12¾	12¾	12¾	12½
Over 15, up to 25	12¾	12½	12¾	12½
Over 25	12¼	12¼	12½	12¾

OFFICIAL QUOTATIONS

The undermentioned securities have been admitted to the Official List: [illegible] (H.) Investments—2,500 Ordinary shares of 25p each, fully paid. [illegible] Chapman-Johns Thompson—5,000 Ordinary shares of 25p each, fully paid. [illegible] Bros. (Pensioners)—2,970 new "A" Ordinary shares of 25p each, fully paid. [illegible] (UK)—3.3m. Ordinary shares of 10p each, fully paid. [illegible] Property Investment Company—[illegible] Ordinary shares of 25p each, fully paid. [illegible] Holdings—[illegible] Ordinary shares of 10p each, fully paid. [illegible] Corporation—£1,353,979 stock. [illegible] (J.) and Son—10,375 "B" Ordinary shares of 50p each, fully paid. London City and Westcliff Properties—14,686 Ordinary shares of 10p each, fully paid. Lowe—3,000 Ordinary shares of 25p each, fully paid. Myddleton Hotels—372 Ordinary shares of 50p each, fully paid. Pretoria Portland Cement Company—195,044 shares of R1 each, fully paid. Ready Mixed Concrete—300,000 Ordinary shares of 25p each, fully paid. Wedgwood—300,000 Ordinary shares of 25p each, fully paid. Burns-Anderson—77,777 Ordinary shares of 10p each, fully paid. Management Agency and Music—120,000 Ordinary shares of 10p each, fully paid. Trocadero—3,250m. Ordinary shares of 25p each, fully paid.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price p	+ or —	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	30/11	[illegible]	[illegible]	Archimedes Inv. Inc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	30/11	[illegible]	[illegible]	Do. Cap. 50p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Austin (James) Steel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Baker Oil Tools (£1)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bell & Howell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Carborundum £5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Dover Corp. US$1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	General Elect. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hanover Grand (5p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Ley's Foundries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Richardson Merrell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	St.-Gobain Pont.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	14/12	[illegible]	[illegible]	Winston Estates	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price £	+ or —
[illegible]	F.P.	14/12	[illegible]	[illegible]	Anglo Transvaal Pref. [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bristol Street [illegible]	[illegible]	[illegible]
[illegible]	F.P.	29/11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Dundee Corp. [illegible]	[illegible]	[illegible]
US$100	F.P.	—	102	99	Edin. Corp. 9% $ Bds. 1981	102	—
100	F.P.	16/11	$104½	$97	General Elect. 5½% Sterl. $ Cnv. 85/95	$98½	—½
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Grendon Trust 11% Uns. 78/81	84xd	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Inchcape [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Jessel Secs. [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Nat. Coal Board [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rolls-Royce Motors [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Staffs. Potts. Water Board [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sunderland & Sth Shields Wtr. [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Tower Assets [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	West Kent Water 7% Red. Pref. 1978	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price p	+ or —
$A2	nil	12/12	[illegible]	[illegible]	Comm. Bk. of Sydney	24p	[illegible]
250	nil	[illegible]	[illegible]	[illegible]	Dowgate & General Comb. Units	2pm	—2
51	nil	17/12	[illegible]	[illegible]	Fed. Land [illegible]	[illegible]	[illegible]
15	F.P.	5/12	[illegible]	[illegible]	Robinson (G. A.)	26	[illegible]
8	F.P.	30/11	[illegible]	[illegible]	Supara Invs.	16	[illegible]
17	nil	[illegible]	[illegible]	[illegible]	Woodside-Burmah	8pm	—1
80	nil	[illegible]	[illegible]	[illegible]	Wyndham Eng.	4pm	[illegible]

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital; cover based on dividend on full capital. e Pence unless otherwise indicated. g Assumed dividend and yield. h Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1974. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. * Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ■ Introduction. ‖ Issued to former Preference holders. § Allotment letters (or fully-paid). ¶ Provisional or partly-paid allotment letters. ★ With warrants.

BIDS AND DEALS

Croda still says accept

Urging shareholders of John and E. Sturge to accept the bid from Croda International, Croda's chairman, Mr. Freddie Wood, again claims both commercial and financial advantages for acceptance of the offer.

With world citric acid production in non-Communist countries in excess of current world demand, Sturge needs the marketing strengths of Croda worldwide to sell its production in the more competitive situation which will arise, he argues.

The Croda offer, for which acceptances are due to-morrow, is of five Croda Ordinary shares and 370p of 12½ per cent. unsecured Loan stock 1993-98 for every eight Sturge Ordinary.

With Croda shares standing at 63p, the offer is worth 85½p for each Croda Ordinary, for which the closing price on Friday was 79½p. Croda has disclosed that it has built up a 10.06 per cent. holding in Sturge.

Mr. Wood says that non-communist world citric acid production is estimated to be about 200,000 tons a year, with construction in progress for a further 50,000 tons. Croda does not share the view that there would be no commercial benefit from an association between the two companies.

Mr. Wood also refers to the Sturge pre-tax profit forecast of not less than £700,000 for the current year (which compares with £708,000) and points out that this is lower than last year's figure "which in times of inflation means substantially lower in real terms."

Of the forecast increase in the dividend of Sturge holders to 7.25p a share gross for the current year, he says: "You should weigh up the chances of the directors of Sturge having to reduce the dividend in the future if profits should fall as they did in 1970 or if it should be necessary to provide for extraordinary items as in 1972."

In conclusion, Mr. Wood says that the price at which Sturge holders could sell their shares before the offer was announced was about 63p and adds: "At the same rate of fall as the Financial Times Ordinary Share Index has suffered since then, that price would now be only 56p."

Croda is advised by S. G. Warburg, while Hill Samuel is acting for John and E. Sturge.

CHAMPION-AW

Following the announcement on November 8 of the offer by Champion International Corporation for AW Securities Ordinary shares, terms have been agreed whereby Champion will offer 66p cash for each 6 per cent. first cumulative Preference shares; and for each 6 per cent. second cumulative Preference 66p in cash. The Preference shares will be acquired with all future dividend rights.

The directors of AW, who have been advised by Edward Bates and Sons, consider the terms of the offers to be fair and reasonable and recommend all Preference shareholders to accept.

FOSMIN INDS.

Fosmin Industries (a wholly-owned holding company within the Foseco Minsep Group) is to acquire Plus Gas from Bullough for £462,500 cash. Fosmin will also arrange for Plus Gas to repay loans of some £110,000 owing to Bullough. Unaudited profit of Plus Gas for the year to October 31, 1973, was more than £80,000 before an exceptional debt of £5,500.

Plus Gas markets anti-corrosive dismantling fluids and related products for industrial and automotive use. Fosmin already owns Bennett (Hyde), which sells Gunk degreasants and decarbonisers to these markets.

TRIPLEX FOUNDRIES

Triplex Foundries Group has agreed to purchase Edward Matthews, a long established company, which with its subsidiary Star Foundry, acts as iron and non-ferrous founders to the general engineering industries at Coseley, West Bromwich.

The consideration of £140,000 will be satisfied by the issue of 120,000 Triplex Foundries Ordinary shares, the balance of £68,000 being paid in cash, the Triplex shares for this transaction being valued at 60p.

The price has been based on the estimated asset value of the companies at present. For this purpose, the values shown in the Matthews' balance sheet at August 31, 1973 have been increased to take account of a recent professional valuation of the freehold property and reduced to make allowance for estimated trading losses since that date.

DEBENHAMS-BICKLEY

The formal offer by Morgan Grenfell on behalf of Debenhams for the Ordinary and Preference shares of J. and S. Bickley, the clothing concern, has now been despatched.

In a letter conveying the unanimous recommendation of acceptance by the Bickley Board, which is advised by Rea Brothers, the chairman, Mr. J. B. Bickley, says that holders accepting the 36p a share cash offer will receive a higher price than they could have obtained by selling on the Stock Exchange at any time before announcement of the offer.

Value of the alternative share exchange offer of seven Debenhams Ordinary for each 24 Ordinary of Bickley is about 31p. Bickley Ordinary have recently changed hands at 33½p.

WIT INDUSTRIALS

London, Australian and General Exploration announces that its subsidiary, Wit Industrials, will make a cash offer of 58 cents per share (South African) for those shares in Wit Industrials Growth Selections that it does not already hold. WITS and its nominees hold 49.83 per cent. of the capital of WIGS. Aggregate value of the purchase consideration will amount to R3.99m.

Market value of WIGS shares on November 19, the day of suspension, was 43 cents per share and the net asset value per share on November 29 was 54.5 cents. For the 17 month period ended June 30, 1973, profit before tax of WIGS and its subsidiary amounted to R2.77m. Net profits attributable to the assets being acquired amounted to R1,390,021.

Union Acceptances and Alex Aiken and Carter, the auditors of WIGS, acting on behalf of WIGS shareholders, have agreed that the terms are fair and reasonable.

MORGAN-GRAMPIAN

The sale by Morgan-Grampian of its newspaper businesses to Westminster Press, has been completed. The newspaper businesses involved are: F. J. Parsols, which publishes a series of weekly newspapers in Sussex and Kent and operates a general printing business; Kentish Times which publishes a series of weekly newspapers in South East London and North Kent; and Gravesend and Dartford Reporter which publishes a weekly newspaper in Gravesend and Dartford.

INSURANCE BASE RATES

† Atlantic Assurance ... 15 %

† Address shown under Insurance and Property Bond table.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims—Alpine Soft Drinks, Associated Tooling Industries, Atkins Brothers Hosiery, Bremner, Amos Hinton, Haslemere Estates, London Asiatic Rubber, Rugby Portland Cement.

FUTURE DATES

Interims—	
Bulmer and Lumb	Dec. 13
Economic Group	Dec. 6
LCP Holdings	Dec. 11
Lennons Group	Dec. 7
Linell (Thomas)	Dec. 6
London Prudential Investment Tst.	Dec. 5
Magnet Joinery	Dec. 12
Metal Products (Willenhall)	Dec. 7
Norton (W. E.)	Dec. 5
Finals—	
Atlas Stone	Dec. 10
Burton Group	Dec. 10
Dundee and London Invest Trust	Dec. 6
International Computers	Dec. 4
Liner Concrete Machinery	Dec. 10
RHM	Dec. 4
United Spring and Steel	Dec. 12
Wolverhampton and Dudley Breweries	Dec. 13

FINANCIAL TIMES STOCK INDICES

—	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 23	A Year ago
Government Secs.	60.84	61.16	61.19	61.45	61.12	61.63	71.57
Fixed Interest	61.49	61.55	61.55	61.44	61.54	61.88	73.30
Industrial Ordinary	364.2	375.5	379.1	376.4	365.9	378.0	509.4
Gold Mines	164.4	166.8	159.6	146.3	143.0	145.6	91.7
Ord. Div. Yield %	5.19	5.04	5.00	5.02	5.19	5.00	3.21
Earnings Yld %(full)(a)	11.70	11.36	11.25	11.32	11.70	11.27	†5.15
P.E. Ratio (net) (a) (b)	11.70	12.05	12.16	12.09	11.69	12.14	†19.43
Dealings marked	6,030	6,751	8,266	8,277	6,797	8,008	10,693

*10 a.m. 372.4 11 a.m. 372.6 Noon 369.8 1 p.m. 368.5
2 p.m. 368.1 3 p.m. 366.4
Latest index 01-246 5026
(a) Based on 50 per cent. corporation tax. (b) Nil=11.54. † On old basis.

HIGHS AND LOWS

—	1973 High	1973 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	72.08 (22/1)	60.84 (30/11)	127.4 (9/1/35)	60.84 (30/11/73)
Fixed Int.	73.83 (23/1)	61.44 (27/11)	150.4 (28/11/47)	61.44 (27/11/73)
Ind. Ord.	509.5 (10/1)	363.9 (26/11)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	203.6 (6/7)	95.6 (19/1)	203.6 (6/7/73)	43.5 (26/10/71)

S.E. ACTIVITY

—	Nov. 30	Nov. 29
Daily—		
Gilt Edged	115.4	125.6
Industrials	188.0	219.3
Speculative	115.9	142.6
Totals	137.5	165.7
5-day Av.—		
Gilt Edged	129.4	131.5
Industrials	254.8	272.2
Speculative	122.1	119.0
Totals	173.5	182.5

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

FT—ACTUARIES INDICES

—	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 23	A Year ago
Industrial Group	152.78	155.11	155.68	152.49	153.44	157.56	210.90
500 Shares	161.79	164.30	164.76	161.52	161.93	166.40	219.83
Div. Yield pc.	4.73	4.66	4.64	4.73	4.72	4.59	3.32
P/E Ratio (net)	12.83	13.04	13.12	12.87	12.90	13.26	†17.69
All Share	162.52	165.28	165.65	162.30	163.14	167.55	221.65
Consols Yield pc.	12.35	12.27	12.26	12.18	12.28	12.17	9.72

† On old basis.

BANK BASE RATES

Allied Irish Banks Ltd.	13 %
Anglo-Eastern Bank	13 %
Anglo-Portuguese Bank	13 %
Henry Ansbacher	13 %
Audley Holdings Ltd.	13½%
Banco de Bilbao	13 %
Bank of Cyprus	‡13 %
Barclays Bank	13 %
■ Wm. Brandt's	13 %
Brit. Bk. of Commerce	13½%
Brit. Bank of Mid. East	13 %
■ Brown Shipley	13 %
Cedar Holdings	13 %
■ Charterhouse Japhet	13 %
Choulartons	13 %
C. E. Coates	13 %
Consolidated Credits	13 %
Co-operative Bank	*13 %
Copleys Bank	13 %
Corinthian Securities	13 %
Credit Lyonnais	13 %
Credito Italiano	13 %
G. R. Dawes	13 %
Dawnay Day	13½%
Duboff Brothers	13 %
Dunbar and Co. Ltd.	13½%
Duncan Lawrie	13 %
English Transcont.	13 %
First Maryland	13½%
FNFC	13 %
■ Antony Gibbs	13 %
Gresham Trust	13 %
Greyhound Guaranty	13 %
■ Guinness Mahon	13 %
■ Hambros Bank	13 %
Hawtin & Partners	13½%
■ Hill Samuel	§13 %
C. Hoare & Co.	†13 %
Julian S. Hodge	13 %
Italian International	13 %
Jacobs, Kroll	13 %
Keyser Ullmann	13 %
Kinghurst Securities	13 %
Lloyds Bank	13 %
London & County Sec.	13½%
London & European	13 %
London Cavendish	13½%
London Mercantile	13½%
Midland Bank	13 %
■ Samuel Montagu	13 %
Moorgate Mercantile	13 %
■ Morgan Grenfell	13 %
Morris Wigram Ltd.	13 %
National Westminster	13 %
Northern Comm. Trust	13 %
Norwich General Tst.	13 %
Portman Guaranty	13 %
■ Rea Brothers	13½%
P. S. Refson & Co.	13 %
■ N. M. Rothschild	13 %
Royal Trust of Canada	13 %
St. Mary Axe Finance	13 %
E. S. Schwab	13 %
Security Tst. Co. Bhm.	13 %
Shenley Trust	13 %
Standard Guarantee	13 %
Sterling Credit	13½%
Sterling Industrial Sec.	13 %
Stewart Salmon & Co.	13 %
Swiss-Israel Trade Bk.	13 %
Thames Guaranty	13 %
Trade Development Bk.	13 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	13 %
Wallace Bros. Sassoon	13 %
Whiteaway Laidlaw	13 %
G. T. Whyte	13 %
Williams & Glyn's	13 %
Wintrust	13 %
Yorkshire Bank	13 %

All deposits under £10,000 limited to 9½% as per Bank of England request.
■ Members of the Accepting Houses Committee.
* 7-day deposits £10,000+ 11½%, 1-month deposits 11½%.
† 7-day deposits in excess of £10,000 up to £25,000 11½%, over £25,000 12%.
§ Demand Deposits 12% £10,000 and over.
‡ Linked to M.L.R.

MINING NOTEBOOK

Some more gold-mining dividend estimates

BY LODESTAR

THE DECEMBER dividend season for the South African gold mines discussed here on a preliminary basis last week has made the predicted sparkling start. Unpredictably, it has been accompanied by an upsurge in the open market bullion price.

This has underwritten the forecasts for the declarations that are still to come. That for Hartebeest was spot on. So a look at some other market estimates may be useful.

On December 13 will come those for the Anglo American gold mines the financial periods of which follow the calendar year. They include one of the South African majors, Vaal Reefs. Here is indeed a complicated situation.

Vaal Reefs

It may, however, be said that whether or not the December final is a minimum 65 cents, which would make a 1973 total of 115 cents (73.2p) compared with 55 cents for 1972, the shares seem to have lost some of their top rank appeal.

Brokers' buying lists, anyway those that I receive, steadfastly leave them out. At £13¾ they could nevertheless be on the way to regaining their former status. Also, it was suggested in London last week, there should be a follow up of the former Anglo American policy of splitting the "heavily" priced shares in the group in order to make them more attractive to the so-called smaller investor.

After all, it was pointed out, Anglo American itself has already done this on its own account—a ten-for-one basis—and likewise for De Beers—also ten-for-one. A small voice piped up that he could never understand why the same exercise had not been done for the De Beers holding company Anglo American Investment.

Another still smaller voice queried why such exercises were considered to be advantageous anyway. That is, of course, a matter for debate which could be pursued here at a later date.

Gold Fields group

In the Gold Fields group, bulls of Doornfontein are going for an interim of between 30 and 35 cents while heading towards a 1973-74 total of 70 cents (44.6p). For Libanon the expectation is 35 cents with a possible 75 cents (47.8p) in all for the year to next June. For the relatively short-life Venterspost the December guess is between 20 and 25 cents and that for the 1973-74 total is put at 50 cents (31.8p). Needless to say all these figures are well ahead of last year's. Hopes for West Drie have already been discussed here.

For Kloof there are so many differing opinions that it is difficult to arrive at a mean guesstimate. The best that can be said is that the enthusiasts are going for as much as 60 cents which I think is highly unlikely and the moody brigade for as little as 25 cents.

In October chairman Robin Plumbridge forecast 55 cents in all for the year to next June. But this was based on a gold price of R1,800 per kilogram whereas the average received in the September quarter was R2,527. So here it seems to be a case of the old adage, you pays your money and takes your choice. But in present circumstances you probably do not sell your shares. At the same time, you bear in mind that the tax crunch for Kloof will begin next year. Hence there could be some distribution caution now.

What Capel buys

Finally, there is the General Mining group's Buffelsfontein from which 45 cents is expected as a first step towards a possible 90 cents (57.3p) or more for the year to next June. It may be worth recalling in this case October's announcement that the company is trying to negotiate a deal with Vaal Reefs for the exploitation of part of that company's ground which would otherwise not be opened up for a long time to come.

Those with their buying boots on in the South African gold share market may like to note that London stockbrokers James Capel and Co. have, in the light of their computerised Goldval exercise mentioned here last Monday, selected the following shares to add to their portfolio, Western Holdings, West Driefontein, Western Deep, St. Helena and East Driefontein.

At the same time it is nice to note that one of this column's own favourites Blyvoor achieved an unusual distinction last week. It was the only South African gold share to reach a new high for the year.

Last Monday when discussing the proposed terms for the Elsburg-Western Areas link-up we mentioned the fact that the first reaction thereto in London was that there might be some opposition from holders of Elsburg. Well, the rumblings are already beginning.

The ratio of 65 Western Areas for every 100 Elsburg certainly took the market by surprise as the share prices previous to the announcement clearly showed. They were expressing expectations of more like 80 for 100.

Nobody, of course, is disputing the advantages of the merger itself. That it will be mutually beneficial can be taken for granted. But when the documents are issued it will certainly be interesting to see why the parent house "Johnnies" appears to have leaned in Western Areas' direction to the extent that it seems to have done.

At Friday's closing prices of 158p for Elsburg and 225p for Western Areas the former are valued at rather more than the merger terms indicate so perhaps at least some people are hoping that "Johnnies" will think again.

Western Mining

One good piece of week-end news was that the 240 maintenance men at Western Mining's big Kambalda nickel mine have gone back to work following an eight-week strike. The dispute is now to be judged by an Industrial Commission hearing in Perth.

The strike is reported not to have halted the company's mining and smelting operations. Indeed, production has been rising in recent times. The next four-weekly return should be coming along next week.

The shares are mouldering at 106p compared with 230p earlier this year. They briefly dipped below 100p recently. Western Mining has other irons in the fire beyond its long-life good-grade nickel mine notably the big Yeelirrie uranium prospect.

With the Federal Government tending to draw back from its punitive measures for the mining industry introduced in the first flush of office—last week it even came to some kind of terms with the Northern Territory uranium companies—it could be that Western Mining are now at long last bouncing along the bottom.

INSURANCE

Brokers in the EEC

BY OUR INSURANCE CORRESPONDENT

AS I HAVE reported previously, the harmonisation of insurance within the EEC is proceeding positively but carefully and so far little has been done to put the British insurance market out of countenance. British insurance brokers are hopeful that the general attitudes established already will continue to prevail for their benefit in the discussions now going on between brokers, governments and the commission in Brussels on the draft directive currently under scrutiny—on the freedom of establishment for brokers and agents.

This draft directive is by no means new. It first saw the light of day in 1971 and was then put aside for detailed consideration after the accession of the new Common Market members had been accomplished, which British brokers think to be just as well, because the draft was based on the experience of and thinking on the position of intermediaries in the original six. It was influenced considerably by the specific laws in France, Belgium and Holland, which in France date from pre-war days and in the other two countries go so far as to give governments powers (as yet unused) to control rates of commission.

Consumers

In drafting the directive the original Europeans had been particularly concerned with consumer protection—that the public should have advice of proper quality—and to this end they had thought to introduce varying standards of competance suitable for various kinds of intermediary. They contemplated a three-tier hierarchy of intermediaries—brokers, agents and sub-agents—which would, if introduced over here, necessarily involve the complete reorganisation of the intermediary sector of the British insurance market. This, some might hold, would not be at all a bad thing, for though there are some very professional brokers in Britain, there are legally no professional yardsticks whereby to judge the competence of a broker, or of any other intermediary, and at the bottom end of the market standards of competence can be extraordinarily low.

It is unarguable that any system that categorises intermediaries must of necessity have status definitions to distinguish one category from another. Furthermore, it most probably requires some kind of government supervision to ensure not only professional ability but also financial solvency. British brokers are now having to face the fact that their days of freedom, unrestricted apart from the ordinary English and Scottish rules of contract and agency, are fast drawing to a close. What they are hoping to be able to negotiate is a directive which salves the Continentals' consciences on the consumer protection front without imposing any real limitation on brokers' freedom to operate across frontiers and place their clients' risks in the best insurance market.

New body

To look after their interests the main British broking organisations have joined together and established the UKIBEC, the United Kingdom Insurance Brokers' European Committee. Months ago this committee opened an office in Brussels and sent a senior official across the channel: it has set up as many sub-committees as there are aspects to the Europeanisation of insurance broking to examine these aspects in detail, and it has the ear of government—as was amply shown by the presence of and the paper presented by Mr. Anthony Grant, MP, Parliamentary Under-Secretary of State for Industrial Developments at the DTI, on the occasion of the AIB's annual conference in October.

But perhaps some of the possibilities of Europeanisation were best described by Mr. Alan Teale, senior executive of Lloyds Insurance Brokers Association, Secretary of UKIBEC, and Assistant General Secretary of BIPAR (the European brokers' organisation).

Also speaking at the AIB conference, he showed that control could be exercised in three ways—by solvency, on commercial grounds and by legal status—and to make his listeners' flesh creep he mentioned the following possibilities — that every principal of a broking firm might have to be an FCII, that every broking firm might have to make a deposit, that until it had traded five years, a broking firm might be restricted as to the size of business it could handle or the amount of commission it could receive, and that every broking firm might have to face exacting solvency tests based on a considerable excess of assets over liabilities.

Bunkering scarcity keeps ship charters in doldrums

BY JAMES McDONALD, SHIPPING CORRESPONDENT

SCARCITY OF bunker supplies for tankers contributed last week to the small amount of chartering business arranged. One leading broker, John I. Jacobs, said: "In some instances owners are unable to consider employment unless charterers can provide bunkers for the voyage, which is not always possible and, consequently, some vessels are idle."

Although, he added, there are few reports of tankers moving into lay-up "this thought is certainly in some owners' minds. There are continuing reports of delays at Persian Gulf loading ports as well as surplus unfixed vessels waiting in this area."

Lambert Brothers, in its weekly tanker report, said: "In Tokyo Bay alone there are 70 merchant vessels immobilised by lack of bunker supplies. Vessels are slow steaming in many trades to conserve fuel; tramp owners are unable to fix business without bunker supplies being guaranteed by charterers."

No priority has been given in terms of fuel to shipping and none looks like being given, adds Lambert Brothers.

As the bunkers' situation becomes critical, Lamberts says that a number of fixtures "are falling apart especially in the Caribbean.

"In the Persian Gulf re-let tonnage is contributing to a large percentage of the fixtures, not only because these vessels are willing to take a cheaper rate, but also because they are able to obtain bunkers."

At the end of last week, nominal rates quoted by Lamberts were: from Persian Gulf to U.K.-Continent — Worldscale 75 for 60,000 to 70,000-tonners; from Mediterranean to U.K.-Continent —W.280 for 25,000-tonners; from Nigeria to U.K.-Continent—W.150 for 50,000-tonners, and from Caribbeans to U.K.-Continent—W.200 for 18,000-tonners.

In the period charter market, Frota, the Brazilian charterer, was active taking about eight vessels at rates well down on levels before the Middle East war.

FOSECO MINSEP

Industrial Gifts Group, a subsidiary of Foseco Minsep, has acquired the advertising gift company Francis Hollings.

IGL, which already has a turnover of £1m., specialises in all forms of advertising and promotional gifts, and through one of its companies, R. Sculthorp and Co., organises safety and incentive award schemes used by many well-known companies.

The acquisition will considerably strengthen the group's activities in the advertising gift and promotional field, it is stated.

London tea sales

At the tea sales held in London last week 41,791 packages sold realised an average price of 46.50p per kilo compared with 45.56p at the previous sales and against 45.75p a year ago. Plain tea was quoted at 37p.

	No. of kilos	Average per kilo
African Highland Prod.	61,595	48p
Amgoorie	27,559	43p
Assam Company	18,714	47p
Assam Consolidated	39,190	51p
Assam Dooars	12,726	48p
Assam Frontier	108,505	49p
Attaree Khat	21,077	43p
Borelli	23,418	42p
Cachar and Dooars	7,851	42p
Central Provinces	49,746	45p
Chubwa	10,958	48½p
Chulsa	5,575	40p
Dekhari	16,131	45p
Eastern Assam	31,959	48p
Empire of India	19,495	45p
	No. of kilos	**Average per kilo**
Imperial	35,252	40p
Jhanzie	15,677	42½p
Jokai	111,599	46½p
Jorehaut	27,350	45½p
Kenya	27,790	49p
Lanka	8,398	49p
Majuli	17,403	45½p
Moran	30,221	45½p
New Dimbula	9,348	52½p
Ouvah	29,054	51½p
Pabbojan	54,075	49½p
Scottish Tea and Lands	16,725	52p
Standard	10,795	57p
Telbedde	19,558	58p
Upper Assam	32,514	46½p

Stock at November 23 amounted to 56,173 metric tons compared with 65,756 metric tons a year ago. Converted at 45,534 kilos per package.

LEX SERVICE

Lex Service Group has acquired S. M. S. Kingswinford, an Austin/Morris retail dealership situated near Dudley, for £150,000.

Of which the consideration £100,000 was paid in cash and the balance it being satisfied by the issue of £50,000 nominal of 8½ per cent Unsecured Loan Stock 1992/97 with second series warrants attached.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

An uncertain future

BY MARY CAMPBELL

EVEN WITHOUT the latest developments, 1973 would have gone down in the annals of the Eurobond market as a highly traumatic year. The adjustment process from the record high volume of new issues in January to virtually complete closure of the dollar sector after the devaluations in February and March was severe enough.

That problem now appears to have been solved—though the lack of confidence generated by the dollar's collapse is doubtless still in the back of investors' minds. However, the next problem—mounting interest rates which have been sustained at higher levels for longer than ever before—is still with the market.

Finally, last Monday's record slump on Wall Street for any single day in the last 11 years calls the immediate future of all stock markets into question.

The basic position at present in the dollar sector is wait and see. Prices are still some way above the lows seen earlier this year: the Bondtrade indices on Friday were 97.38 for medium term straights (against a low in August of 95.21), 91.69 for long term straights (88.72) and 115.71 for convertibles (against a low of 111.71 in April). The Xerox convertible issue, despite its large size, has held up relatively well in the after-market—it was trading at 98-100 on Friday—partially because a substantial proportion was securely placed in Switzerland, partially because of the last-minute increase in the coupon from 4¾ to 5 per cent. and partially because of the rally on Wall Street

However, there is still doubt as to the psychological effect on investors of the stock market falls in most countries, let alone the oil and interest rate situation. The question facing the dollar sector now is whether investors will feel that with prices relatively low, now really is the moment to buy—can the situation get any worse?—or whether they will prefer to cover themselves by keeping their funds relatively liquid.

If the dollar sector at least has possibilities, on the D-Mark international bond market there is nothing but gloom. On top of all the factors cited above, D-mark denominated bonds have lost their big advantage of earlier in the year—the fact that the D-mark was a favoured revaluation currency. In the last ten days two D-mark international bond issues have been cancelled (one was the State of Denmark issue announced some weeks ago), while the Voest issue, despite its 8½ per cent. coupon, was far from trouble free. No new issues on this market are expected for some time to come.

Peru and Colombia arrange loans

By Mary Campbell

THE SOUTH Peruvian Copper Corporation has arranged financing of $200m. on the Euromarkets. The funds would be put towards the Cuajone copper project, 700 miles south of Lima. Total cost of the project will be approximately $550m.

Draw down of the loan, which has been arranged by Chase Manhattan and Libra Bank, is subject to certain pre-conditions being met. These include completion of arrangement for the balance of the financing, execution of long-term contracts for the sale of Cuajone's planned production of blister copper and the issuance of certain approvals by Peruvian Government agencies.

SPCC is 51.5 per cent. owned by American Smelting and Refining Company, 22.25 per cent. by Cerro Corporation, 16 per cent. by Phelps Dodge Corporation and 10.25 per cent. by Newmont Mining Corporation.

The Republic of Colombia is to raise $90m. on the Euromarket. Two loans are being syndicated at present, each of $45m. and both managed by Dillon Read, First Boston (Europe) and Industrial Bank of Japan. The first is for ten years and carries a spread of ⅞ per cent. for the first three years and ⅞ for the last seven; the second is for 15 years at a spread of ⅞ per cent. throughout.

Bayer plans U.S. take-over

BAYER'S U.S. subsidiary, Rhinechem plans to acquire Cutter Laboratories, a California based pharmaceutical company.

Rhinechem will make a cash offer for all the class "A" and "B" shares of Cutter, totalling 2.6m. at a price of $18.50 per share without deduction of costs.

Members of the Cutter family are understood to have offered to make over their shares to Rhinechem. But this will be on the condition that Bayer will not be bound to buy shares unless at least 90 per cent. of both "A" and "B" shares are offered.

Bayer is not the first major chemical group in Europe to express interest in acquiring Cutter Laboratories. A few weeks ago the Dutch Akzo group disclosed that its U.S. subsidiary Akzona, in which it has a 65 per cent. interest, was having exploratory talks with a view to acquiring Cutter. But no terms had been discussed and these negotiations were said to be very much in the initial stages.

Claas expects to break even

By Our Own Correspondent

FRANKFURT, Dec. 2

AFTER THREE years in the doldrums, with operating losses and sales below the 1968/69 level, the family farm machinery group Claas, of Harsewinkel in the Ruhr, achieved a provisional estimated turnover of DM460m. in the year ended August 31, 1973, and reached at least the break-even point.

The sales increase was a substantial 17 per cent. For 1973/74 the management forecast a turnover of DM520m. and a further rise in exports which last year comprised 68 per cent. of its total output. The latter is regarded as essential for growth as it had "considerable reservations" about the home market.

Indices

NEW YORK

DOW JONES AVERAGES

STANDARD AND POORS U.S. STOCK INDICES

	*Ind. Ord.	†Composite
Nov. 30	107.67	95.96
" 29	109.29	97.31
" 28	109.72	97.65
" 27	107.40	95.70
" 26	108.43	96.38
" 23	111.69	99.44
" 21	112.14	98.78
1973 High	134.03 (5/1)	120.17 (5/1)
1973 Low	107.40 (27/11)	95.70 (27/11)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Nov. 29 1973	Nov. 23 1973	Nov. 30 1972
Ind. Ord. yield pc	3.26	3.11	2.49
Ind. Ord. p/e ratio	13.24	13.83	20.50
Long-term Govt. Bds. pc	5.91	5.91	5.36

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Mercor	190,600	20½	−⅛
Bausch and Lomb	184,700	30½	−3½
Evans Products	160,500	11⅞	−⅛
Amer. Tel. & Tel.	175,800	46½	−¼
General Motors	167,900	48⅞	−2
Polaroid	163,100	73⅞	−6¾
Chrysler	125,000	16½	−1½
MGIC Investment	115,100	29½	−3⅞
Southn. Cal. Ed.	106,800	18⅝	—
Coastal States Gas	100,700	10⅞	−½

TORONTO

INDUSTRIAL INDEX

Nov. 30	Nov. 29	1973 High	1973 Low
211.36	215.36	237.93 (20/10)	202.48 (22/8)

MONTREAL

INDUSTRIAL INDEX

Nov. 30	Nov. 29	1973 High	1973 Low
238.39	243.44	271.33 (1/11)	206.33 (22/2)

COMBINED INDEX

Nov. 30	Nov. 29	1973 High	1973 Low
222.02	226.13	249.10 (1/11)	208.33 (28/2)

JOHANNESBURG

	Nov. 30	Nov. 28	High	Low
Industrials	223.0	223.2	292.1 (10/7)	223.0 (30/11)
Gold	205.1	205.3	237.7 (6/1)	176.4 (26/11)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Average yield on col Leading Stocks	Nov. 29	Nov. 22	Nov. 15
On Dividends	5.78	5.57	6.41
On Earnings	9.50	9.12	8.96

SYDNEY ALL ORD. INDEX

Nov. 30	Nov. 29	High 1973	Low 1973
452.62	460.93	[illegible]	445.84 27/11.

HONG KONG INDEX°

Nov. 30	Nov. 29	High 1973	Low 1973
514.71	524.48	1,774.96 (9/3)	491.74 (12/1)

SINGAPORE INDEX§

Nov. 30	Nov. 29	High 1973	Low 1973
302.34	306.96	611.60 [illegible]	289.71 (4/8)

TOKYO NEW SE INDEX†

Base=100 January 4, 1968.

Dec. 1	Nov. 30	Div. %	Yield %
325.57	324.06	11.90	2.28

	High	Low
1973	422.43 (24/1)	318.94 (27/11)

EUROPE

	Nov. 30	Previous	1973 High	1973 Low
Belg'm(m)	124.04	125.07	142.33 (22/6)	120.38 (27/11)
Denm'rk(c)	103.28	101.91	128.95 (10/8)	100.10 (27/11)
France (bb)	78.1	78.5	95.9 (4/5)	77.7 (27/11)
Germany*	88.14	88.84	120.71 (20/3)	85.18 (27/11)
Holland (o)	126.0	129.1	171.9 (12/4)	119.5 (27/11)
Italy†	115.38	118.53	147.28 (19/6)	95.25 (16/2)
Sweden(p)	327.77	335.67	380.34 (10/7)	327.77 (30/11)
Switzer'l'd	335.9	335.0	460.1 (27/1)	328.1 27/11

* Herstatt Index Base Dec. 31, 1959. ‡ Base 100 Jan. 2, 1972. ** Swiss Bank Corporation Index base 100 Dec., 1963. (c) Closed. (m) Base 1963. (o) Base 100 1963. (p) Base Dec. 29, 1956. (bb) Paris Bourse Committee, base 100 1961. (d) Base 100 January 1, 1973. † Base 100 Jan. 2, 1973. ○ Hang Seng Bank, base 100 July 31, 1964. § Straits Times Industrial, base 100 1966.

AUSTRALIAN WEEKLY LIST

Australian $	Nov. 30	Nov. 23	Australian $	Nov. 30	Nov. 23
Advertiser Newsp'p'r	2.14	2.21	Kiwi Int.	0.75	†0.74
Ansett Transport	0.66	0.65	M.L.C.	3.75	—
Aust. Securities	†1.27	1.32	Mauri Bros. & T.	1.03	‡1.18
Aust. Guarantee	†1.80	1.87	Mayne Nickless	1.30	1.40
Aust. & KandosC'm't.	1.41	‡1.35	Nylex Corporation	1.04	†1.10
Aust. Paper M'nf'r'g.	‡1.60	†1.50	Olympic Cons.	†0.74	0.76
Boral	†1.80	2.10	Overseas Corporation	1.70	1.76
Bramble Inds.	1.17	1.25	Petersville	†0.29	†0.30
Burns Philp	3.80	3.92	Queensland Cement	2.97	3.05
Carpenter (W.R.)	2.02	2.17	Queensland Ins.	3.07	‡3.40
Castlemaine Perkins	4.42	4.57	Kocia Industries	‡1.78	1.79
Coal & Allied	1.26	1.24	Swan Brewery	1.82	1.84
Commercial Bank	3.08	3.12	TV Corporation	‡2.65	2.82
Commercial Union	‡0.88	0.85	Thiess	†1.34	1.34
Commonw'lth Mining	‡2.20	‡2.20	Thomas Nat. Trans.	†1.68	†1.80
Grace Bros.	1.84	1.91	Tooheys	1.79	1.89
Hardie Asbestos	4.35	†4.40	Travelodge	†0.61	‡0.56
Herald & Weekly	3.29	3.45	Woodside Burmah	1.49	1.53
Humes	0.99	†1.10			

† Buyer. ‡ Seller.

TEL AVIV STOCK EXCHANGE

JOHANNESBURG

AUSTRALIA

CANADIAN WEEKLY LIST

HONG KONG

SINGAPORE PRICES

GERMANY

PARIS

MILAN

Nov. 30	Price Lire	+ or −	Div. Lire
Alitalia Priv.	6.435	−295	—
ANIC	1.045	−14.5	—
Bastogi	1.822	−19	60
Breda	4.175	−25	100
Burgo	16.100	−350	—
Cantoni	16.960	−250	150
CIGA	5.700	−150	—
Credital	8.030	+50	400
Dalmine	370	......	—

TOKYO

AMSTERDAM

SWITZERLAND

COPENHAGEN

BRUSSELS

STOCKHOLM

SPAIN

OSLO

VIENNA

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

AUTHORISED UNIT TRUSTS (p***)

OFFSHORE AND OVERSEAS FUNDS (p***)

UNIT TRUST PRICES

Prices in pence	December 3	
National Group (1)		
Nat. Unit 'D' Second Series	150.0	158.2m
Century Trust	45.2	48.2
Nat. Consolidated Unit Trust	41.0	43.2
Universal Second Unit Trust	88.8	95.1
Commercial Consolidated	41.5	43.4
Hundred Trust	44.0	45.7m
Gas & Electric Second Series	382.4	396.8
Inv. Sec. General Trust	59.0	61.8
Investors General Trust	36.0	36.9
Provident Investors Second	119.8	126.7

WEEKLY AVERAGES OF U.K. INDICES

Week to—	Nov. 30	Nov. 23	Nov. 16	Nov. 9
Financial Times				
Govt. Secs.	61.16	61.80	62.84	64.97
Fixed Interest	61.51	61.83	62.71	65.21
Industr'l Ord.	371.8	389.5	406.6	426.3
Gold Mines	165.2	145.7	148.3	148.8
Dealings mkd.	7,852	7,216	8,694	8,839
F.T.-Actuaries				
Ind. Group	153.90	160.97	166.66	174.63
500-Share	162.86	169.57	176.13	182.85
All-Share	165.78	1[illegible].66	176.32	184.94
20-year Govt.	[illegible]	[illegible].77	69.82	82.35
Red. Debs.	57.79	58.03	58.70	61.29

MONTHLY AVERAGES OF STOCK INDICES

—	Nov.	Oct.	Sept.	Aug.
F.T. Actuaries				
Ind. Grp.	165.51	175.29	169.00	170.30
500-Share	175.40	182.90	177.62	179.89
All-share (661)	175.09	184.09	176.48	179.68
20-year Govt.	60.07	63.00	61.66	63.17
Red. Debs	59.17	61.10	60.82	63.22
Financial Times				
Government Secs	62.88	65.16	63.70	64.61
Fixed Interest	63.06	65.34	60.04	65.60
Industrial Ord.	401.5	434.7	417.9	422.6
Gold Mines	149.5	150.0	159.1	164.2
Dealings mkd.	7,992	7,912	6,364	6,476

	High	Low
Industrial Ord.	431.5 (2nd)	363.9 (28th)
All-Share	188.85 (2nd)	162.52 (30th)

Fidelity Life Assurance Ltd.
Fidelity House, Corporation Street, High Wycombe. Tel. HW 35821.

♥American GthFd	35.2	37.1	+0.1	—
♥Flexible Unnd.	19.8	20.8	−0.5	—
Trust of Funds	48.08	50.79	......	—
Do. Cap.	48.0	50.8	......	—

Growth & Sec. Life Ass. Soc. Ltd.
United House, W.11.

♥Landbank Secs.	91.08		......	2.17
♥Landb'nkSecsAc	92.4	94.9	......	—
♥G&S SuperFund	889.90		......	—

Hambro Life Assurance Limited
7, Old Park Lane, London, W.1.

♥Hambro Equity	118.8	125.1	......	—
♥Property	133.5	140.4	......	—
♥Managed Cap.	114.1	120.2	......	—
♥Managed Acc.	118.7	125.0	......	—
♥Pen. Prop. Cap	141.2	148.7	+1.1	—
♥Pen. Prop. Acc.	155.1	163.3	+1.4	—
♥Pen. Man. Cap.	126.4	133.1	−2.0	—
♥Pen. Man. Acc.	138.8	146.2	−2.0	—

Canada Life Assurance Company
6, Charles II Street, S.W.1.

Growth Fd Nov. 6	52.0		......	—
Ret'mt Fd Nov. 5	113.9		......	—

Cannon Assurance Ltd.
1 Olympic Wy Wmbly HA9 ONB

♥Balanced Units	934	+30	—
♥Equity Units	£11.85	+0.14	—
♥Property Unit	821	+62	—
♥Exec. Bal'd Unit	934	+30	—
♥Exec. Eq'ty Unit	807	+9	—
Exec. Prop. Unit	10.90	+0.87	—

Current unit value Nov. 29.

♥Balanced Bond	934	988	+31	—
♥Equity Bond	807	854	+10	—
♥Property Bond	£10.90	11.53	−0.14	—

Capital Life Assurance
29, Throgmorton Street.

♥Key Inv. Nov.14	117.75	......	—

Money & Exchanges

Bank of England Minimum Lending Rate 13%
(since November 13, 1973)

Short-term fixed-period interest rates in the London money market showed modest adjustments last week, with the three-month sterling certificate yield, for instance, rising to 15¾-15 9/16 per cent., from the previous 15 7/16-15 5/16 per cent. *Day-to-day* credit was in uneven supply, with the authorities buying a small amount of bills on Monday, and a moderate amount on Thursday, but making no intervention on Wednesday or Friday, and on Tuesday selling a small amount.

The first quarter of the recent 2 per cent. call for special deposits was lodged by Wednesday, without marked unsettlement of the market. The Treasury bill rate fell 0.0251 per cent. to 12.4526 per cent. at the weekly tender.

The U.S. dollar strengthened against major currencies in general last week, against a background of abnormal *fluctuations* in the price of gold, which gained some 12.78 per cent. on balance, *to end* at $100¾-101¼ an ounce, against $89¼-90¼ the previous Friday, and at one stage on Thursday touched $106-108, its highest since October 11. The week's rise meant that gold more than recovered the ground lost following the *November 13 announcement* that the two-tier system was being wound-up. Ahead of this announcement the metal was standing around $97. Good business developed as the price rose—something in marked contrast to the thin level of dealings seen during the earlier fall. Developments in the Middle East oil supply *outlook continued to* make for erratic movements in foreign exchange rates, but the dollar remained a firm trend.

Bank base rates, Page 25

EURO-CURRENCY INTEREST RATES*

Nov. 30 1973	Sterling	U.S. Dollar	Canadian dollar	Dutch guilders	W. German mark	Swiss franc
Short-term	15¼-15½	9⅛-9⅝	6½-6¾	9½-9⅝	15-20	9-9½
7 days' notice	—	9⅜-9⅞	6⅜-6⅝	9½-9¾	15-20	9-9½
Month	15 7/16-15 9/16	10⅝-11⅛	9⅞-10⅛	10¼-10½	14-14½	10¼-10½
Three months	15⅞-16⅛	10⅛-10⅝	10-10¼	10⅜-10⅝	11⅝-11⅞	9⅜-9⅝
Six months	15½-15¾	9⅝-10⅛	9½-9¾	10-10¼	10⅛-10⅜	8⅝-8⅞
One year	14½-14¾	9-9½	9⅛-9⅜	9½-9⅝	9¼-9½	7¾-8

Euro-French franc rates: two days' notice 11-11½ per cent.; seven days' notice 11½ per cent.; one-month 11¼-11¾ per cent.; three-month 11¾-12 per cent.; six-month 11¼-11¾ per cent.; and 12-month 10¾-11 per cent.

Longer-term Eurodollar rates were as follows: two years 9¼-9⅝ per cent.; three years 9 3/16-9 5/16 per cent.; four years 9 3/16-9 5/16 per cent.; and five years 9-9 5/16 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 10 15/16-10¾ per cent.; three months 10¼-10 5/16 per cent.; six months 9 15/16-9¾ per cent.; one year 9¼-9½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders, marks and Swiss francs.

Nov. 30 1973	Sterling Certificates of deposits	Inter-bank	Local Authority deposit†	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	10-13	11½-13	—	—	13-13½	8-11½	—	—	—
2 days notice	—	—	13½-13⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	13-13½	13¾-15⅞	—	16⅞	—	11½-12¼	—	—	—
One month	14⅝-14¼	13⅞-14⅝	14-14¼	14¾-15¼	14¼	—	12¼-12½	12 1/16-12⅛	13⅝-14	14-15½
Two months	15½-15¼	16-16½	—	15¾-14½	15⅝	—	12¼-12⅝	12 1/16-12⅛	13⅝-13¾	14¼-15½
Three months	15¾-15 9/16	15 7/16-15¾	15-15¼	15⅞-14½	15¾	—	12⅝-13¼	12½-12 9/16	13⅝-13½	14¼-15¾
Six months	16 7/16-16 5/16	16⅝-16¾	15-15¼	15⅞-14¾	15¾	—	—	—	14½-15	15-16
Nine months	16 1/16-16⅛	16⅛-16⅜	—	15⅛-14¾	15½	—	—	—	—	—
One year	15¼-14⅞	15-15¼	15⅝-15½	15¼-14¾	15½	—	—	—	—	—
Two years	14½-14⅛	14⅛-14½	14⅞	—	—	—	—	—	—	—

† Local authorities and finance houses seven days notice, others seven days fixed. * Long-term local authorities mortgage rates nominally 14¾ per cent. for three years; 14 per cent. for four years; and 13¾ per cent. for five years. Φ Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills about 13¾-13½ per cent.; and for four-month trade bills about 14¾-15¾ per cent. Approximate selling rate one-month Treasury bills 12 1/16-12¼ per cent.; for two-month 12¼-12 3/16 per cent.; and three-month 12 5/16-12¾ per cent. Approximate selling rate for one-month bank bills 13¾-13½ per cent.; for two-month 13¾-13½ per cent.; and for three-month 13¾-13½ per cent.; for one-month trade bills 13¾-14¾ per cent.; two-month 13¾-14¾ per cent.; and three-month 13¾-14¾ per cent.

Finance House Base Rate (published by the Finance Houses Association): 13¾ per cent. for November (14 per cent. for December). Clearing Bank Deposit Rates: For small sums at seven days' notice 9½ per cent. and Base Rates for lending 13 per cent.

Treasury Bills: Average tender rate of discount 12.4526 per cent.

Tax Deposit Account: Deposit earned a basic 8.12 per cent. in the April-June quarter if withdrawn within that quarter, and 7.33 per cent. if not; in the July-Sept. quarter interest accrued at a rate of 7.33 per cent. for deposits withdrawn within that quarter, and if not so withdrawn, at 10.11 per cent.; in the Oct.-Dec. quarter interest accrues at 10.11 per cent. on deposits withdrawn within that quarter, and if not so withdrawn, at the average Treasury bill rate for the period.

FOREIGN EXCHANGES

Nov. 30 1973	Bank Rate %	Day's Spread	Close
New York	7½	2.3420-.3510	2.3425-.3455
Montreal	8¾	2.3420-.3500	2.3425-.3455
Amst'dam	7	6.44-.47	6.45-.46
†Brussels	7¾	92.30-93.10	92.50-.70
Copen'gen	9	14.51-.40	14.37½-.38½
Frankfurt	7	6.13-.16	6.14-.15
Lisbon	Δ5¾	57.50-58.50	57.75-58.25
Madrid	††6	133.75-134.75	134.00-134.50
ΦMilan	6½	1,414-1,419	1,415-1,417
Oslo	4½	13.06-.18	13.08-.09
‡Paris	11	10.50-.57	10.51-.52
Stock'hlm	5	10.32-.38	10.33-.34
Tokyo	7	650-660	654-657
Vienna	5½	44.90-45.30	45.00-.25
Zurich	4½	7.50-.55	7.51-.52

†† Basic discounts. Δ Bank of Portugal discount rate. † Rates given are for convertible franc; closing financial franc 93.30-93.60. ‡ Rates given are for commercial franc; closing financial franc 10.95-10.98. Φ Rates given are commercial; closing financial rate 1,471-1,474.

OTHER MARKET RATES

		¶Note Rates	
Argentina	◆11.58-11.78	Argentina	50-55
Australia	1.5795-1.5855	Austria	45-47
Brazil	14.35-14.55	Belgium	92¼-94¼
Finland	8.85¼-8.86¼	Brazil	16-19
Greece	65.58-67.45	Canada	2.34-2.37
H'ngK'ng	11.865-11.965	France	10.90-11.20
Luxemb'g	92.50-92.70	Germany	6.10-6.30
Malaysia	5.6474-5.6897	Greece	67-69
N. Zeal'nd	1.6169-1.6550	Italy	1,550-1,600
Singapore	5.7281-5.7601	Japan	690-690
S. Africa	1.6632-1.5779	N'thrl'ds.	6.40-6.60
U.S.—		Spain	131-134
Canada		Sw'tz'land	7.45-7.65
C$=1U.S. Cent	99.98-100.01	U.S.	2.34-2.36

¶ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. (sg) Selling price. ◆ Commercial rates. Financial rate 23.25-23.45.

FORWARD RATES

—	One month	Three months
New York	0.90-0.80 c. pm	3.27-3.17 c. pm
Montreal	1.05-0.85 c. pm	3.60-3.30 c. pm
Amst'dam	2¼-1¼ c. pm	8½-7½ c. pm
Brussels	75-50 c. pm	192-167 c. pm
Copenh'n	6-2 ore pm	12-8 ore pm
Frankfurt	1 pf pm-par	7¼-6¼ pf. pm
Lisbon	70 c. pm-par	180-10 c. pm
Milan	7-3 lire pm	7-2 lire pm
Oslo	4½-1½ ore pm	16-13 ore pm
Paris	3¾-2¾ c. pm	11¼-10¼ c. pm
Stockholm	8-5 ore pm	23-20 ore pm
Vienna	60-10 gro. pm	120-60 gro. pm
Zurich	3¼-2¼ c. pm	12¼-11¼ c. pm

Six-month forward dollar 6.65-6.55 c. pm. and 12-month 12.70-12.55 c. pm.

EDRAL INDEX
Close 360-365

This week's Geneva talks on an international multi-fibre agreement herald a lengthy programme of negotiations, reports **Ken Gofton.**

Textiles: weaving the pattern of trade

CIVIL SERVANTS from some 20 countries reconvene in Geneva this morning for what is intended to be the final round of negotiations towards an agreement that will shape the pattern of world trade in textiles for many years to come. The official timetable is such that agreement should be reached by the end of this week, but it is confidently expected that the talks will spill over at least beyond the week-end.

The aim is to establish the first international multi-fibre agreement, laying down rules governing the orderly expansion of world trade in textiles. It is being negotiated under the auspices of the GATT, and replaces the 11-year-old Long-Term Agreement on Cotton (LTA), which expired during the summer, but was formally extended to the end of the year.

Significance

The negotiations' significance does not end with whatever carefully chosen form of words goes into the final document. In a sense, the agreement will help set the tone for the next round of GATT discussions on a vast range of products, and some aspects of it—as, for instance, a definition of what constitutes "disruption" of a market—could well come up in other contexts. More parochially, it will also have a major influence on attempts to secure a common textiles policy within the Common Market.

Any guide to the textile talks, and what hangs on them, should probably begin by stating the current position within international trading in textiles. It is sufficient to repeat here that textiles and clothing, being a very basic industry, often labour-intensive and of low technical content, is of great importance to the developing countries.

Britain, as the Lancashire-based Textile Industry Support Campaign constantly reminds everyone, has pursued one of the most liberal policies towards imports from low-cost countries. The EEC Commission in Brussels is also liberally minded, although the attitude of other Common Market members varies from that of West Germany, which is close to the U.K. in its thinking, to the more restrictive French and Italian position.

The British overseas trade statistics show that a positive balance on U.K. exports of yarns and fabrics over the years has been increasingly eroded by a mounting negative balance on clothing.

At Geneva, the EEC nations will be negotiating as a group. The U.K. Government's position, however, is that it supports the orderly liberalisation of trade in textiles. In other words, it is against sudden disruption of the home industry (particularly since a large part of it is based in problem regions like the North-West), but also against feather-bedding. The current policy line is illustrated by the temporary restrictions on imports of polyester/cotton goods from the Far East and Colombia, imposed by the Government in return for an undertaking by the U.K. industry to invest in modern machinery to supply this particular type of fabric and clothing.

A good deal of the groundwork towards the multi-fibre agreement has already been covered, but some fundamental points remain. One of these, ironically, is just what goods should be covered. That is not as bad as it sounds. The present draft includes spun and textured yarns, fabric and made-up goods in cotton, wool, and man-made fibres; it omits raw cotton and wool (about which there is no argument since they are classed as commodities), man-made filament yarns and staple fibre, combed wool tops, linen and hard fibres like sisal.

The U.K. and, it is thought, the other EEC and EFTA countries would like to see these products included. Japan has so far been totally opposed to the inclusion of filament and staple fibre, presumably because it sees export opportunities for itself in fibres and also because it believes that the international agreement should be concerned with labour-intensive and not capital-intensive industries.

On the other hand, European fibre producers, who have been discussing the possibility of a voluntary scheme for achieving "orderly expansion" with the Brussels Commission are threatening to pull out if the Japanese get their way—a hollow-sounding threat since such an arrangement would be in their interests as much as anyone else's.

U.K. CRUDE TRADE BALANCE IN TEXTILES (£m.)

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
TEXTILE FIBRES										
Exports	108.4	106.0	92.4	90.8	80.1	93.2	101.8	96.4	87.3	108.1
Imports	267.6	276.7	232.8	220.2	196.3	219.4	210.4	183.9	150.0	213.7
Balance	−159.2	−170.7	−140.4	−129.4	−116.2	−126.2	−108.6	−87.6	−62.7	−105.6
TEXTILE YARNS, FABRICS										
Exports	259.7	283.2	282.8	270.7	258.5	309.3	360.6	396.8	425.8	445.4
Imports	144.7	177.0	151.5	158.8	182.0	231.2	238.7	256.4	324.9	369.7
Balance	+115.0	+106.2	+131.3	+111.9	+76.5	+78.1	+121.9	+140.4	+100.9	+75.7
CLOTHING										
Exports	40.0	44.3	50.1	53.4	64.3	84.5	108.5	123.1	129.5	144.3
Imports	64.7	73.3	57.3	68.7	83.4	110.1	124.5	129.4	178.2	218.8
Balance	−24.7	−29.0	−7.2	−15.3	−19.1	−25.6	−16.0	−6.3	−48.7	−74.5

Source: Overseas Trade Statistics

The multi-fibre agreement is also expected to authorise some form of surveillance body to ensure that there is no backsliding, but its composition—an international committee or a permanent expert team—and powers are still to be settled. On one extreme is the view that its recommendations should be binding; on the other that it should only have the right to urge countries to accept its findings.

A further question is what should come within the brief of the surveillance body. Obviously it should be able to probe unilateral actions by one country that have the effect of restricting textiles trade. What, however, of the fairness of existing or new bilateral agreements? The American position here is that the international referees should be called in only when one party to a bilateral deal makes a complaint, and the French are believed to sympathise with this view. However, Germany and the U.K. disagree.

One other key area which has proved difficult is the definition of market disruption. A draft text was produced in October, clearly derived from the wording used in the Long Term Agreement on Cotton, which referred to a sharp and substantial increase in imports, prices substantially below those ruling in the home market, and damage to the home industry. An effort has been made to close the most obvious loopholes.

Accepted

For instance, the draft says that a sharp and substantial increase "shall not be determined to exist on the basis of allegation, conjecture or the mere possibility arising, for example, from the existence of production capacity in the exporting countries." Prices should be fairly compared with those of domestic production and with those of other exporting countries selling in the same market.

Assuming that understanding is reached on the outstanding points (and, in spite of the different national philosophies the need for international rules is accepted), then the multi-fibre agreement must have a strong influence on the Common Market's attempts to establish a textiles policy. There are two or three separate threads to this.

First of all, there is the Community's Generalised Preference Scheme, granting tariff preferences on a wide range of products to developing countries. It was drawn up six months before the U.K. joined the Community, and Britain undertook in the Treaty of Accession to adopt it. This has led to a rather ludicrous and unhappy situation. Basically, the U.K. had its own Generalised Preference Scheme, from which textiles were excluded on the grounds that there were administrative absurdities in directly encouraging imports in this way while simultaneously trying to devise fair ways of restricting them. The EEC scheme on the other hand, included textiles, but classed them as sensitive or semi-sensitive items. The volume that can enter each EEC member country duty free is specified, product by product. Rather than renegotiate the whole thing, on the enlargement of the Community, the Brussels Commission suggested that the U.K. duty free quotas should be similar to, but slightly less than, the German quotas.

This, as the central trade association the British Textile Confederation, has pointed out, produces some curious results, because the German pattern of trade is very different from our own. On cotton goods, the suggestion is a duty-free quota of less than 10 per cent. of Britain's 1972 imports from the 14 countries offered this preferential treatment. On some "less sensitive" products, there are proposed duty free quotas amounting to nearly one and a-half times actual imports last year.

Neither the U.K. government nor the industry is happy about these proposals. In spite of the original undertaking to abide by the Community's overall scheme, therefore, the British have argued that they can foresee very real difficulties in implementing the provisions so far as they apply to textiles unless there is an assurance of a positive commitment, with a timetable, towards a genuinely common import policy. This would include provision for the free circulation of imported textile goods within the Common Market, which certainly does not exist at the present moment.

It is difficult for EEC member countries to argue against this (although some may want to drag their feet) since it is in line with the fundamental philosophy of the Common Market. However, the other main theme of the U.K. industry, as opposed to the Government — namely, that British imports should be stabilised or reduced until the "burden" is more evenly shared in the Community—produces a hollow laugh on the Continent. It is argued there that high import levels were the deliberate choice of the British Government; and stemmed naturally from all the export advantages we enjoyed at the head of an empire.

Still, the U.K. Government's prompting on the need for free circulation of textile products within the Community has been followed by the submission of a Commission paper to the Council of Ministers accepting the principle and emphasising the need for an increasingly liberal attitude towards imports under the proposed multi-fibre agreement. It can be assumed that a lengthy programme of negotiations lies ahead before the EEC makes up its collective mind about the best policy for textiles, and the best way of implementing it.

* *Document TD/B/C 2/1 "International Trade in Cotton Textiles and the Developing Countries—Problems and Prospects": United Nations Conference on Trade and Development Geneva.*

'Discourage second home ownership'

By Peter Riddell, Property Correspondent

THE OWNERSHIP of second homes should be positively discouraged by the Government, according to a controversial new report published to-day by Shelter, the national campaign for the homeless.

Mr. David Mahon, a Shelter senior regional organiser, suggests in the report a number of curbs which ought to be introduced against second home buyers. Shelter does not dispute the prerogative of the individual to purchase but does call into question "the right of equal access between first and second home owners in the current situation of rapid house price inflation and housing shortage."

Mr. Mahon suggests the following complementary and supplementary options to tackle the situation: a direct tax or special local rate on second homes; the imposition of a luxury tax in the form of a stamp duty on second home buyers, plus the restriction of second home purchases to properties above a certain rateable value; a sale charge on the price of a second home payable to the local authority housing revenue account.

In addition, the report urges that local authorities with long waiting lists should buy up empty properties as they come on to the open market.

Tax benefits

Among the other recommendations are that tax benefits on mortgages related to second homes should be removed, while there should be severe restrictions on bank and building society loans for second homes, plus a prohibition on improvement grants for second homes. Proposals to limit improvement grants in this way were included in the Government's White Paper on Housing last spring.

Shelter also wants information on second homes to be sought in the next sample census in 1976, and calls on the Government to hold a nation-wide inquiry to discover the true facts about second homes.

Some 200,000, or 1 per cent., of all British households now have a second home, yet according to the report about 4m. people live in unfit or sub-standard housing. In these circumstances, Mr. Mahon argues that "the place in the country occupied for only a couple of months a year becomes a social affront."

Mr. Mahon estimates that by the year 2000 the proportion of second home buyers will have risen to 10 per cent. and in order to satisfy this demand alone a further 2m. homes would have to be completed.

The report says that the stock of disused cottages in depressed rural areas is now dwindling and the number of second homes continues to grow at an estimated 15,000 a year. But Mr. Mahon maintains that the purchase of houses at high prices by those who do not intend to live permanently in them penalises low-paid rural workers who cannot afford to buy or build at present prices and are therefore being squeezed out of their own communities.

No Place in the Country by David Mahon, Shelter, 20p.

SDLP votes to call off rent and rates strike

BY RHYS DAVID

BELFAST, Dec. 2.

[D]ELEGATES to the Social Demo[cr]atic and Labour Party's confer[en]ce here this week-end gave full [ba]cking to their negotiators in [th]e recent inter-party talks and [cl]eared the way for them to work [to]wards a final agreement at the [tri]partite discussions, between [Lo]ndon, Dublin and Belfast [re]presentatives, beginning later [th]is week.

An emergency motion from [SD]LP members in the Assembly [co]ngratulating the negotiators on [th]e success so far achieved was [pa]ssed by 235 votes to 22. In [an]other highly significant vote, [th]e conference passed by 189—22 [a] motion expected to lead to the [ca]lling off of the rent and rates [st]rike in Northern Ireland.

The SDLP's continued support [fo]r the 14,000 rent and rates [st]rikers has been a possible [ob]stacle to an agreement [be]tween the Unionists and [SD]LP to sit together on an [ex]ecutive.

The congratulatory resolution [re]placed a group of motions [su]bmitted before the talks ended [wh]ich wanted a number of [co]nditions to be met before the [pa]rty reached any agreement on [fo]rming an executive, and there [w]ere allegations by some dele[ga]tes that the party's assembly [gr]oup was trying to stifle criticism.

The conference showed itself to be in no mood, however, to rock the boat at this stage and was prepared to accept assurances from Mr. John Hume, the new Minister of Commerce-designate that the SDLP had kept faith with the electorate and would want agreement on all issues, including the Council of Ireland and security, before entering an Executive.

The conference, which is being attended by nearly 500 delegates, has provided further confirmation of the changing face of Northern Ireland politics. The growth of the party which was started less than four years ago, by six Stormont MPs, has forced a move this year away from the country halls where the first two conferences was held to the Europa Hotel, Belfast.

The number of branches in the past year has increased from 20 to 68 and a regular monthly newspaper has just been started.

The support given to the negotiators has also been in sharp contrast with the division within the Unionist Party on the question of power-sharing, and has made it clear that the SDLP is now the most cohesive force on the Northern Ireland political scene. With its social and economic plans adopted as the basis of the new executive's programme of action, it also seems set to become the most influential group.

The one major issue which has emerged from the debates as still causing major concern to party members on the ground, is detention (invariably referred to under its old title of internment).

The party's leaders originally made an end to internment a condition for entering into new institutions in Northern Ireland and have been acutely aware that their agreement to a phasing out of detention may appear to party supporters (and will certainly be so represented by the Provisional IRA) as a sell-out.

Anti-IRA

Party leaders, as a result, have gone on the attack against the IRA during the conference in an attempt to demonstrate that it is this organisaion which is now solely responsible for the continuation of detention.

Mr. Hume accused its leaders of not wanting to see the end of internment and of using, abusing and manipulating "the men behind the wire" for political purposes.

In a report on the negotiations, Mr. Hume told delegates the party was committed to a strong Council of Ireland with powers in the field of policing and he gave support to the ideas put forward by the Irish Government for a common law enforcement area.

Mr. Hume and Mr. Gerry Fitt, the party leader, stressed that there will be difficulties to be overcome before agreement would be reached at this week's talks and they were clearly anxious to guard against any build-up of euphoria at this stage.

The Saturday afternoon session was attended by Dr. Conor Cruise O'Brien, Minister of Posts in the Republic, as a fraternal delegate from the Irish Labour Party.

The conference also passed by a narrow majority a controversial resolution calling on the party executive to organise research aimed at ending the system of segregated education along religious lines in Northern Ireland.

A policeman died during the week-end when gunmen ambushed a patrol car at Lurgan, Co. Armagh. He was the 36th policeman to die in the present troubles.

REGIONAL MARKETS

—	Price Nov. 30	A=Div. B=Times covered A	B	Gross yields
BELFAST				
…hut 6½ pc '80…	£67⅞	Q 6½	—	‡14.0
…nley Pkg. (5p)	26	†Q25	1.8	4.8
…ghes (B) £…	110	Q8	1.5	7.5
…Irish Sa't Inv.	37	Q6	1.1	4.1
IRISH EXCHANGE				
…sh'q'r6pc80/85	£62.60	Q6	—	†1.00
…liance Gas (£1)	62	Q10	♦	12.2
…rroll (P.J.)	135	Q35	♦	5.1
…nc. Prod. Ire.	140	Q21½	3.2	3.8
…ndalkin	50	Q12½	1.5	5.1
…odbody (£1)	98	—	—	—
…ton Hldgs.	75	Q‡11	2.9	5.5
…sh Distillers	85	Q‡12	♦	3.6
…sh Wire Bd.	88	Q17	♦	6.0
…cob	56	Q20	♦	9.1
…nith Group 10p	34	Q14.4	2.4	4.4
…nbeam	65	Q5	1.5	2.5
…ldare	75	—	—	—
MIDLANDS & WESTERN				
…ham Post 'A'	52½xd	10.6	3.3	7.5
…ons 10p	35½	Q 21½	1.0	6.1
…rains (Frdk) 10p	35½	Q 15	2.9	4.1
…ared	32½	5.6	1.4	6.2
…nst & Reed 50p	255	Q 10.5	4.6	5.1
…ediner £1	62½	—	—	—
…aig Ship. £1	645xd	12.9	2.0	2.8
…illiam Sleigh 10p	17½	Q†5	U 5.0	1.7
…eep-E-Ze	51	‡14.7	1.5	10.3
…well's Ship. £1	200	6.3	1.6	4.5
…ance C.H.	125	10.5	♦	2.6
…dall (Wm.)	117	‡12½	5.0	3.7
…ment (H.)	111½	14.7	3.3	3.2
NORTHERN EXCHANGE				
…bany Inv. (20p)	21½	Q‡5½	1.1	6.0
…h Spinning	60	†Q18	0 1.2	7.5

—	Price Nov. 30	A=Div B=Time covered A	B	Gross yield %
Booth (Chas.) (10p)	18	—	—	—
Brady (G.) 'A'	71	19¼	1.6	9.7
Br'wat'r Est. 50p	522½	Q 12	1.6	2.8
Br. Northrop 50p	90z	—	—	—
Bury Ring (20p)	23z	—	—	—
Clover Croft	48	5¼	1.6	1.3
Dyson (R.A.) 'A'	65	†8.4	—	5.0
Ellenroad	67	Q 12½	♦	4.6
Eng. Nat. Inv. Pf.	50¼	Q5	0.5	6.4
Do. Deferred	44	Q4	[illegible]	2.3
Era Ring	40	—	—	—
Gardner (L.)	142	51.2	[illegible]	7.9
Hartley Ind (20)	41½	7	2.6	4.8
Higson Brewery	112	12.9	3.5	4.1
Holt (Joseph) (25p)	117	6.9	4.1	1.8
I.O.M. Steam (£1)	127	Q 10	U 0.9	7.·
Nichols Vimto	101	†25¼	1.5	9.0
Nthn Goldsmith	115½	16.2	3.5	4.7
P.M.A. Hldgs	152½	♦Q21	—	5.0
Peel Mills	50	←	—	—
Sayers Conf (12½p)	30	17½	2.7	10.4
Shiloh Spin.	52	†Q14	2.8	5.1
SwanLn.Sp.(25p)	45	—	—	—
Tavener Rut (20p)	57	Q28	1.6	7.5
Wood (Ed.)	20½	In Vol. Liq		
Woodward H12½p	40	‡15.4	1.5	‡
SCOTTISH EXCHANGE				
Bertams	46	Q10	1.0	5.4
Craig & Rose £1	430	16.2	4.5	5.5
Dundee Ice £1	160	4.4	3.0	3.5
Dundee Crm £1	300	7.3	1.5	3.8
Ellis & McHdy	57	Q 22½	1.5	9.9
Fife Forge	66	14.7	2.0	7.7
Hill (Wylie)	115	←	—	—
Lees (J.J.) (10p)	53	Q21	1.8	6.5
Richards (10p)	22½	Q 10½	♦	4.7

Banker attacks EEC monetary union plans

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

EEC PLANS for monetary union were attacked at the week-end by Dr. Kenneth Whitaker, Governor of the Central Bank of Ireland. He argued that narrowing of exchange rate margins and pooling of reserves alone could not produce a durable monetary union.

In an article in the Hill Samuel Review, Moorgate and Wall Street, Dr. Whitaker examines the EEC's plans in the light of something which has received surprisingly little attention — the monetary union between Ireland and Britain during the past 150 years.

He emphasises the many factor which have been operating to maintain the fixed parity of the British and Irish pounds during this period, and implies that the more naive advocates of EEC monetary union should take note.

Labour mobility

In practice, Dr. Whitaker says, "balance of payments adjustment (between Ireland and the U.K.) has resulted from both automatic and discretionary factors."

"Of the former, labour mobility has probably been the most important, although its social and economic consequences have not been entirely beneficial."

"Discretionary adjustment measures included tariffs and export subsidies, demand management policies and, more recently, a prices and incomes policy.

"These have proved adequate to produce the required balance of payments adjustment without recourse to exchange rate variation. Important structural features of the Irish economy, its extreme openness and close interdependence with Britain, have resulted in relative rates of inflation in the two economies being broadly similar."

With regard to the U.K. and the EEC, Dr. Whitaker points out that intra-EEC exports are relatively small, both as a proportion of total exports and of GNP.

Regarding labour markets, "differences of language, social security arrangements and other cultural and institutional barriers to mobility are almost certainly still too great for labour mobility to mitigate the effects of fixed exchange rates," he says.

On the other hand, the degree of capital market integration—in spite of the continued use and extension of capital controls, "is probably already limiting the scope for autonomous monetary policy in the Community."

Dr. Whitaker says: "One should perhaps note the absence in the Anglo-Irish monetary union of certain policies and institutional arrangements apparently held to be essential for the success of EMU in Europe: the existence of a full customs union, the complete pooling of reserves and co-ordination of economic policies.

"A conventional European point of view is that monetary union is the logical consequence of the achievement of a customs union. Irish experience suggests that the relationship is not quite so simple . . . when one rules out the use of tariffs, quotas, etc. for balance of payments purposes, there may be a greater need to vary the exchange rate. The relevance of this point may not be adequately appreciated in relation to EMU."

Key instrument

To urge, as was sometimes done in the EEC, the harmonisation of fiscal policies in the sense of uniform rates of taxation "would be to remove one of the key instruments of balance of payments adjustment which have been available to the Irish authorities. Again, it would seem that Ireland's experience does not lend empirical support to a case for strict harmonisation of fiscal policies."

ENTERTAINMENT GUIDE

OPERA & BALLET

[CO]VENT GARDEN, THE ROYAL BALLET. Tonight, Tue. & Thur. at 7.30. Sat. at 2.15 & 7.30 THE NUTCRACKER. Standing room available on performance day.

[CO]VENT GARDEN, THE ROYAL OPERA. Wed. and Fri. at 7 Mozart's DON GIOVANNI. Standing room available on performance day. (Reservations 240 1066.) 24-hr. information 240 1911.

[CO]LISEUM. Sadler's Wells OPERA. Tomorrow & Fri. at 7.30: THE DEVILS OF LOUDUN ". . a brilliant company achievement." FT Wed. at 7.30: THE CORONATION OF POPPEA Thurs. at 7.30: A MASKED BALL Sat. at 7.30: DIE FLEDERMAUS [Se]ats 50p to £2.90. (01-836 3161.)

[SA]DLER'S WELLS THEATRE, Rosebery Avenue, E.C.1. (837 1672). Until Dec. 8. Evenings 7.30. Saturdays 5 & 8.15. BALLET THEATRE CONTEMPORAIN Tonight: STRAVINSKY Pas Danses, Sans titre, Le Rossignol, Kill What I Love. Dec. 10-15: ROYAL NORTHERN COLLEGE OF MUSIC.

[SA]DLER'S WELLS THEATRE, Rosebery Avenue, EC1. (837 1672.) Dec. 17 to Jan. 5. D'OYLY CARTE in Gilbert and Sullivan. Booking Now Open.

THEATRES

[AD]ELPHI. 836 7611. Evenings 7.30. Matinee Thurs. 3.00. Sats. 4.00. SALLY ANN HOWES PETER WYNGARDE in RODGERS AND HAMMERSTEIN'S THE KING AND I "Roused the audience to noisy ecstasy." ". . . sheer bliss." D. Mir. "One of the two best musicals in Town." Guar.

[AL]BERY (New). 836 3878. Evngs. 8.0. Mats. Thurs. 3.0. Sats. 5.30 and 8.30. INGRID BERGMAN [JO]HN McCALLUM. BARBARA FERRIS MICHAEL ALLINSON DOROTHY REYNOLDS THE CONSTANT WIFE [by] Somerset Maugham, Dir. John Gielgud

[AL]DWYCH 836 6404. RSC's 1973/74 London Season LANDSCAPE with A SLIGHT ACHE [th]e Pinter double-bill (Tonight and [to]morrow 7.30; THE ROMANS—Shakespeare's 4 Roman Plays. Last perfs. CORIOLANUS (Wed. Thurs. 7.30. Dec. [1]1, 13); JULIUS CAESAR (Fri. 7.30. Sat. 2.0, Dec. 11, 14); TITUS ANDRONICUS (Sat. 7.30. Dec. 12, 15); ANTONY & CLEOPATRA (Dec. 12m. 13e); NICOL WILLIAMSON'S MIDWINTER SPRING—his one-man show of modern music and poetry (Sun. 8.0). RSC also at The Place—see under P.

[AM]BASSADOR'S. 836 1171. Evgs. 8.0. Mats. 2.45. Sats. & Boxing Day 5 & 8. Agatha Christie's THE MOUSETRAP 22nd Year. World's Longest-ever Run.

[AP]OLLO. 437 2663. Reded-pr Previews Dec. 8 at 6 and 8.30 Dec. 10, 11 12 at 8 Dec. 13 Mat at 3pm (Opens Dec 13 at 7) DEREK NIMMO, KATY MANNING [Ne]w Comedy by Gene Stone & Ray Cooney WHY NOT STAY FOR BREAKFAST? Unsuitable for Young Children

[CA]MBRIDGE. 836 6056. Mon. to Thurs. 8. Fridays and Sats. 5.45 and 8.30. PATRICK CARGILL in London's new comedy smash hit TWO AND TWO MAKE SEX "A HILARIOUS ROMP." (People.) [Mon]days only first house 50p to £1.50.

[CA]MBRIDGE. 836 6056. Mats. only (Dec. [to] Jan. 12). Mon. to Thurs. 2.30 & 5. [Fri.] & Sat. 11.30, 2.30. A musical play. PINOCCHIO

[CO]CHRANE, W.C.1. 242 7040 TOAD OF TOAD HALL [Ma]ts Dec. 18 to Jan. 12 Daily 2 & 5.

[CO]LISEUM. 836 3161. Xmas Season 19 Dec. to 12 Jan. Matinees only at 2 p.m. [and] two evg. perfs. Dec 24, 26, 7.30. MAGGIE SMITH, DAVE ALLEN PETER PAN

[CO]MEDY. 930 2578. Last 3 weeks. [Evg]s. 8.0. Mat. Th. 3.0. Sat. 5.15, 8.30. PAUL SCOFIELD in [SA]VAGES by CHRISTOPHER HAMPTON. "FAR AND AWAY BEST PLAY AND PERFORMANCE IN WEST END." F.T.

[CRI]TERION. 930 3216. Mon. to Fri. 8. [Sat.] 5.30 and 8.40. Matinees Wed. 3. Richard BRIERS, Sheila HANCOCK Anna CALDER MARSHALL, Michael ALDRIDGE, David BURKE, Bridget TURNER in Alan AYCKBOURN'S ABSURD PERSON SINGULAR "FUNNIEST COMEDY IN TOWN." E.S.

[DRU]RY LANE. 836 8108. [Eve]nings 7.30. Mats. Wed. and Sat. 2.30. ANNA NEAGLE, ANNE ROGERS, THORA HIRD TONY BRITTON in NO NO NANETTE LONDON'S HAPPIEST MUSICAL "Yes, Yes Nanette." Evg. News.

[DUC]HESS. 836 8243. Evenings 8 00. [Sat.] 5.30, 8 30. Matinee Wed. 2.45. [Don]ald SINDEN, Joan GREENWOOD in IN PRAISE OF LOVE Directed by John DEXTER TERENCE RATTIGAN'S finest play "A wonderful achievement." Frank Marcus, Sunday Telegraph "Most civilised evening's entertainment." Frank Marcus, Sunday Telegraph.

[DUK]E OF YORK'S. 836 5122. Evs. 8.15. [Mat.] Fri. and Sat. 5 45 and 8.30. LESLIE PHILLIPS in [M]Y COMEDY 4th YEAR IN LONDON THE MAN MOST LIKELY TO . . . WAS ROLLING ABOUT LAUGHING [IN] THE STALLS" Colin Reid, Daily Mail.

[FOR]TUNE. 836 2238. Evenings at 8.0. [Sat.] 5.30 and 8.30 (Th 2.45, red. prices) SLEUTH NOW IN ITS FOURTH YEAR "The Best Thriller Ever." N.Y. Times. OWN GENERATOR

[GAR]RICK. 836 4601 [Eve]nings 8.0. Sat. 5.00 and 8.30. "I succumbed to ALISTAIR SIM'S masterly performance." Sunday Telegraph. DANDY DICK

[GLOB]E. 437 1592. 2ND YEAR. [Eve]nings 8.15. Sats. 5.40 and 8.40. [Alan] BENNETT, JOHN STANDING in NOEL COWARD'S PRIVATE LIVES "Brilliantly funny." Times.

GREENWICH. 858 7755. ALFRED MARKS MIRIAM KARLIN in ZORBA Evenings 8.0. Mat. Sat. 5.0. "Sunshine Zorba now on stage with new zest." E. Standard.

HAYMARKET. 930 9832. Evenings 8.00. Mat. Wed. 2.30. Sat. 5.00 and 8.15. PHYLLIS CALVERT, JOHN FRASER, ANDREW RAY in 2ND YEAR of CROWN MATRIMONIAL

HER MAJESTY'S. 930 6606. Evgs. 7.30. Mat. Wed., Sat. 2.30. Award Winning Musical Comedy PIPPIN "Explosive and Spectacular." D. Mirror. "Exciting music by the composer of Godspell." E.N. "Stunning." S. Tel.

LYRIC. 437 3686. Evenings 8.00. Mat. Wed. 3.00. Sat. at 5.30 and 8.30. From Dec. 15. Sats. at 5 and 8.30. ALEC GUINNESS in HABEAS CORPUS by ALAN BENNETT.

KINGS ROAD THEATRE. 352 7488. (ex. Essoldo Cinema). "Witty and erotic." Mon. to Th. 9.0. Fri. Sat. 7.30. 9.30 THE ROCKY HORROR SHOW

KINGS ROAD TH. 352 7488-2688 CAPTAIN PUGWASH Christmas Mats. Dec. 17-Jan 12.

MAY FAIR. 629 3036-7. Last week. Evenings 8.0. Sat. 5.0 and 8.15. DAVID STOREY'S THE FARM Directed by LINDSAY ANDERSON "Supremely well done." S. Telegraph. Opens Dec. 12 for 5 weeks only THE RIDE ACROSS LAKE CONSTANCE "Strange, fascinating . . . very funny play, extremely well acted." Time Out.

MAYFAIR. 493 2031. From Dec. 17. SOOTY'S CHRISTMAS SHOW Daily 10.30 a.m., 2.0 p.m., 4.0 p.m.

MERMAID. 248 7656. (Rest. 248 2835.) Evgs. 8.30. Wed., Sat. 5.00, 8.30. AN INSPECTOR CALLS by J. B. PRIESTLEY "Exciting theatrical experience. Remarkable production." D. Tel. LAST WEEK, MUST END DEC. 8. From Dec. 17: TREASURE ISLAND A MUSICAL ADVENTURE

NEW LONDON THEATRE. 405 0072. Parker Street, Drury Lane, W.C.2. Evenings 8.0. Sat. 5.30 and 8.30. THE SMASH HIT ROCK 'N' ROLL MUSICAL GREASE "It is superb." Guardian. "High-spirited and a lot of fun." D. Mir.

NEW VICTORIA. Opp. Vic. Stn. 834 0671. Twice nightly at 6.15 and 8.45. A FABULOUS NEW PRODUCTION BLACK AND WHITE MINSTREL SHOW OF 1973 Book now. 50p to £1.50. LONDON'S GREATEST ENTERTAINMENT VALUE. Last week. Postively ends Dec. 8.

OLD VIC. THE NATIONAL THEATRE. (928 7616.) Re-opens 12 Dec. 7.30: SATURDAY SUNDAY MONDAY

PALACE. 437 6834. Mon. to Thurs. 8.0. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 437 7373. 6.15 & 8.45. THIS WEEK ONLY TOM JONES Young Generation, Ted Rogers, Dana COMMENCING TUESDAY, December 18 FRANKIE HOWERD, DORA BRYAN ALFIE BASS, MARK WYNTER in JACK AND THE BEANSTALK Elizabeth Larner, Leon Greene Theatre Fully Heated

PHOENIX. 836 8611. Evenings 8.0. Sat. 5.0. 8.30. Mat. Wed. 3.0. VANESSA REDGRAVE, JEREMY BRETT, JOHN STRIDE PETER BAYLISS DESIGN FOR LIVING "STYLISH COWARD. DELIGHTFUL COMEDY." Evening Standard.

PICCADILLY. 437 4506. Evgs. 7.30. Sats. 5 and 8.30. From Dec. 19 Mats. Weds. 3 ANGELA LANSBURY in GYPSY "SMASH MUSICAL." Daily Express.

PLACE. Dukes Road, Euston. 387 0031. RSC in special new play [illegible] Tnt. & tmr. 8.0—John Wile's A LESSON IN BLOOD AND ROSES All seats £1 (plus 10p non-members) Season extended to Dec. 14

PRINCE OF WALES. 930 8681. THE DANNY LA RUE SHOW Previews Dec. 15, 18, at 8.0. Opens Wed., Dec. 19 at 7.0. Subs. Mon. to Thurs. 8.0. Fri., Sat. 5.30, 8.45.

QUEEN'S. 734 1166. From tonight Evgs. 7.30. Thurs. & Sat. 5.00, 8.15. EDWARD WOODWARD JUDI DENCH and LEO McKERN in THE WOLF "Hilariously funny, not to be missed." FT. "Most glittering comedy." D. Mir. "Sheer Delight." S. Tel. "Delightful." Pple.

RAYMOND REVUE BAR THEATRE. 734 1593. 7.30 and 10 p.m. PAUL RAYMOND'S SPECTACULAR GLAMOUR EXTRAVAGANZA THE GOLDEN GLITTER GIRLS REVUE

ROUNDHOUSE. 267 2564. Berkoff's London Theatre Group to Dec. 15 in repertoire. THE TRIAL (To'nt., tom., Wed. 8, Sat. 6 & 9) AGAMEMNON (Thur. 8, Fri. 6 & 9).

ROYAL COURT. 730 1745. Evenings 7.30. Saturday's 5 and 8.30. LAST WEEK D. H. LAWRENCE'S THE MERRY-GO-ROUND

ROYALTY. 405 8004. Mon., Tues., Thurs., Fri. 8, Wed., Sat. 6.15, 9. Adults only. OVER 1,000 PERFORMANCES OH! CALCUTTA! "AMAZING AND AMUSING." D. Exp "THE NUDITY IS STUNNING." S. Tel. "BREATHTAKINGLY BEAUTIFUL." S.T.

SAVOY. 836 8888. Ev. 8. Sat. 5 and 8. W. 2.30. John Mills "Touching and Funny." Ev. Std. Dulcie Gray "Delightful." Dly. Tel. Michael Denison "Deliciously funny." Ev. News. In William Douglas Home's new comedy AT THE END OF THE DAY "Ingenious and very funny." Punch.

SHAW THEATRE. Tel. 388 1394. Dolphin Theatre Company presents MACBETH Evgs. 7.30. Mat. Tu. & Th. 2.30.

SHAW. 388 1394. Daily 2.0, 5.0. LARRY THE LAMB IN TOYTOWN Dec. 12 to Jan. 19 (incl. Boxing Day)

STRAND. 836 2660. Evenings 8.00. Sats. 5.30, 8.30. Mat. Th. 3. Joan Kern, Liza Goddard, Richard Caldicot, David Jason in NO SEX PLEASE, WE'RE BRITISH Directed by Allan Davis. "HYSTERICALLY FUNNY." Sun. Times.

ST. MARTIN'S. 836 1443. Evs. 8. Wed. 2.45. Sat. 5 and 8. 2nd YEAR! ANDREW CRUICKSHANK AVICE LANDON JACK WATLING William Douglas-Home's Comedy LLOYD GEORGE KNEW MY FATHER "One of the wittiest and most enjoyable plays in London." H. Hobson, S. Times.

STRATFORD-UPON-AVON. Royal Shakespeare Theatre. Last 2 weeks of season, seats available only as follows: AS YOU LIKE IT Mats.: Dec. 5, 8, 13; Eves.: Dec. 13. LOVE'S LABOUR'S LOST Eve.: Dec. 12. TAMING OF THE SHREW Mat.: Dec. 6; Eves.: Dec. 4, 6. Party bookings can be arranged. Write Box Office or 'phone S/Avon (0789) 2271.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining & Dancing. At 9.30 Revue DREAM MACHINE Opening tonight 11 p.m. FRANKIE VAUGHAN

VAUDEVILLE. 836 9988. Opens Dec. 12 at 7. Subs. Eve. 8. Tues. 2.45. Sat. 5 & 8. "COCKIE" A MUSICAL ON THE CAREER OF CHARLES B. COCHRAN with the unforgettable music of RICHARD RODGERS, NOEL COWARD, COLE PORTER, IRVING BERLIN, JEROME KERN, GEORGE GERSHWIN.

VAUDEVILLE. 836 9988. Last week. Evenings 8.0. Sat. 5.30 and 8.30. KENNETH MORE is always A DELIGHT." E. Standard. in SIGNS OF THE TIMES "Bubbling comedy . . . witty and perceptive." D. Mir. "Great fun." People

VICTORIA PALACE. 834 1317. Twice nightly at 6.15 and 8.45. CARRY ON LONDON SIDNEY JAMES, BARBARA WINDSOR, KENNETH CONNOR, BERNARD BRESSLAW, JACK DOUGLAS, PETER BUTTERWORTH. Book now! "The fun is practically gilt-edged." Sunday Times. Theatre Fully Heated.

WESTMINSTER. 834 0283. From Dec. 6 at 7.0. Subs. Mon. to Sat. at 2.30. Fri. 7.30. Sat. 6.30 10th GALA SEASON GIVE A DOG A BONE Enchanting Family Pantomime

WHITEHALL. 930 6692-7765. 5th Year. Evs. 8.30. Wed. and Sat. 6.15 and 8.45 MEN ONLY Magazine's Famous Reporter FIONA RICHMOND in PAUL RAYMOND'S PYJAMA TOPS

WYNDHAM'S. 836 3028. Mon. to Thur. at 8.15. Fri. and Sat. 8.15 and 9.00 GODSPELL "IS MAGNIFICENT." Sunday Times.

YOUNG VIC (by Old Vic). 928 6363. Tnt. 8 MUCH ADO ABOUT NOTHING

CINEMAS

ABC 1, Shaftesbury Ave. 01 836 8861. DAY FOR NIGHT (AA). (French film, English Sub-titles). Sep. Perf. Wk. & Sun.: 2.00 5.40, 8.35. ALL SEATS BKBLE.

ABC 2, Shaftesbury Ave. 01 836 8861. DOCTOR ZHIVAGO (A). Sep. Perf. Wk. & Sun.: 2.30. 7.30. ALL SEATS BKBLE.

ASTORIA, Charing Cross Rd. (580 9562). Sean Connery, Jill St. John DIAMONDS ARE FOREVER (A). Cont. Progs. Wk. and Sun. 4.25, 8.45. Sean Connery Daniela Bianchi FROM RUSSIA WITH LOVE (A). Cont. Progs. Wk. and Sun. 2.20, 6.40.

CASINO CINERAMA. 437 6877. THIS IS CINERAMA (U) Sep. Perfs. Daily 2.30, 6.15, 8.45. Sunday at 4.30 & 8.0.

COLUMBIA. (734 5414.) THE ADVENTURES OF BARRY McKENZIE (X). Cont. Progs. 1.40, 3.55, 6.10, 8.30.

CURZON, Curzon Street W.1. 499 3737. Alexandro Jodorowsky's EL TOPO (X) at 1.35, 3.50, 6.10, 8.35.

DOMINION, Tottenham Court Road. 580 9562. Audrey Hepburn, Rex Harrison MY FAIR LADY (U). 70mm. Sep. progs. Week and Sunday 2.30, 7.30.

EMPIRE, Leicester Sq. 437 1234. PAINT YOUR WAGON (A). Progs. 2.30, 7.45. Sep. Perfs. All seats bookable.

LEICESTER SQUARE THEATRE. (930 5252.) Tonight Only. Royal Charity Premiere of "40 CARATS" (A) in aid of NABS. "Don't Look Now." continues tomorrow.

ODEON, HAYMARKET. (930 2738/2771) Oliver Reed, John McEnery Claudia Cardinale FURY (AA). Cont. Progs. 2.55, 5.30, 8.10. Feature 3.30, 6.05, 8.45. Last Day.

ODEON, Leicester Square. (930 6111.) Eric Porter Jeremy Kemp, Bill Travers, Rachel Roberts. THE BELSTONE FOX (A). Cont. Progs. 1.15, 3.00, 5.30, 8.10. Feature 1.15, 3.45, 6.20, 9.00.

ODEON, Marble Arch (723 2011/2) Peter O'Toole, Katharine Hepburn THE LION IN WINTER (A), 70mm, D150, Sep. Progs. 3.00, 8.00. Feature 3.10, 8.10. All seats bookable in advance.

ODEON, St. Martins Lane (836 0691/ 1811). George Segal, Glenda Jackson, A TOUCH OF CLASS (AA). Cont. Progs. 2.00, 3.55, 6.15, 8.30. Feature 2.10, 4.25, 6.40, 9.00.

PARAMOUNT, Lower Regent St. 839 6494. PAPER MOON (A). Progs. 2.00, 4.15, 6.30, 8.45. Sep. Perfs. All seats bookable. THE DAY OF THE JACKAL (A) now at UNIVERSAL.

CINEMAS ARE CONTINUED ON PAGE 4

Alginate Industries Limited

(Incorporated in England under the Companies Act 1929)

THE QUEEN'S AWARD TO INDUSTRY 1968 THE QUEEN'S AWARD TO INDUSTRY 1973

Share Capital

Authorised £		Issued and to be issued fully paid £
654,203	in 7½ per cent. Cumulative Preference Shares of £1 each	654,203
1,645,797	in Ordinary Shares of 25p each	1,252,864
£2,300,000		£1,907,067

The Company and its subsidiaries ("the Group") had outstanding on 9th November, 1973 bank indebtedness of £863,214 secured by fixed and floating charges and unsecured bank indebtedness of £482. In addition there were contingent liabilities amounting to approximately £20,000 in respect of bills of exchange sold to the Company's bankers. Save as aforesaid, and apart from inter-company transactions, the Group had at that date no loan capital (including term loans) outstanding, or created but unissued, and no mortgages, charges, or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, or guarantees or other material contingent liabilities.

Robert Fleming & Co. Limited

Offer for Sale 1,260,000 Ordinary Shares of 25p each at 130p per Share

payable in full on application

The Ordinary Shares now offered rank in full for all dividends hereafter declared or paid on the issued Ordinary Share capital other than the interim dividend of 2p per share in respect of the year ending 31st December, 1973 to be paid in January, 1974.

Copies of this Offer for Sale with Application Forms can be obtained from the following:—

ALGINATE INDUSTRIES LIMITED, 22 Henrietta Street, London WC2E 8NB

ROBERT FLEMING & CO. LIMITED, 8 Crosby Square, London EC3A 6AN

CAZENOVE & CO., 12 Tokenhouse Yard, London EC2R 7AN

LLOYDS BANK LIMITED, Issue Department, P.O. Box 287, 51 Gracechurch Street, London EC3P 3DD

THE ROYAL BANK OF SCOTLAND LIMITED, New Issue Department, 36 St. Andrew Square, Edinburgh EH2 2YB

THE ROYAL BANK OF SCOTLAND LIMITED, 98 Buchanan Street, Glasgow G1 3BA

DIRECTORS

William Ralph Merton, Seymour Court, Marlow, Buckinghamshire. (*Chairman*)

Robert Ralph Merton, The Old Rectory, Burghfield, Nr. Reading, Berkshire. (*Managing Director*)

Robert Modan Thorne Campbell-Preston, O.B.E., M.C., Ardchattan Priory, By Connel, Argyllshire. (*Managing Director*)

Richard Henry McDowell, 20 Oak Tree Close, Virginia Water, Surrey.

David Lindsay Bankes, 66 Cadogan Square, London, S.W.1.

Frederick Lionel Guthrie Griffith-Jones, Beacon Wood, Penn, Buckinghamshire.

Michael Henry Colquhoun Pery, Kilmaronaig, Connel, Argyllshire.

Rodolphe Frederic d'Erlanger, 8 Pont Street, London, S.W.1.

SECRETARY AND REGISTERED OFFICE

Douglas Gadsby Jones, F.C.A., 22 Henrietta Street, London WC2E 8NB.

BANKERS

Lloyds Bank Limited, Covent Garden Branch, 22 Southampton Street, London WC2E 7JB.

BROKERS

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN and The Stock Exchange.

SOLICITORS

Linklaters & Paines, Barrington House, 59/67 Gresham Street, London EC2V 7JA.

JOINT AUDITORS AND REPORTING ACCOUNTANTS

Smallfield, Fitzhugh, Tillett & Co., Chartered Accountants, 24 Portland Place, London W1N 4AU.

Price Waterhouse & Co., Chartered Accountants, 3 Frederick's Place, Old Jewry, London EC2R 8DB.

REGISTRARS AND TRANSFER OFFICE

Lloyds Bank Limited, Registrars Department, The Causeway, Goring-by-Sea, Worthing, Sussex.

RECEIVING BANKERS

Lloyds Bank Limited, Issue Department, P.O. Box 287, 51 Gracechurch Street, London EC3P 3DD.

A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange for the whole of the issued Preference and Ordinary Share capital of Alginate Industries Limited ("the Company") to be admitted to the Official List. The Application List for the Ordinary Shares now offered for sale will open at 10 a.m. on 6th December, 1973 and will close at any time thereafter on the same day.

This Offer for Sale contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Business of Alginate Industries Limited

The Company, with its subsidiaries, forms an integrated Group whose activities comprise the collection, drying and milling of brown seaweed, the extraction therefrom of alginates, and the worldwide sale of the resulting manufactured alginate products. It also carries out extensive research with a view to improving its processing methods and extending the range of applications for its products. The Directors believe that the Company is one of the two largest alginate producers in the world.

Alginates are natural substances which are to be found in brown seaweeds. In chemical terms alginates are salts of alginic acid, a carbohydrate which is an essential structural material in all types of brown seaweed.

Examples of the properties and uses of alginates are:

(1) thickening ability—used in textile printing, food products, cosmetic creams, liquid detergents and shampoos and forestry;

(2) general colloidal properties—used for stabilising ice cream, beer foam, fruit drinks, toothpaste and emulsions generally;

(3) gel formation—used in milk desserts, jellies, dental moulding compounds, animal foods and grouting;

(4) formation of films and fibres—used in temporary threads, calcium-sodium fibres, surface sizing and coating of paper and the priming of porous surfaces;

(5) miscellaneous properties—leading to their use in the manufacture of welding rods, as a disintegrant in pharmaceutical tablets, for hardening of photographic gelatine, as a flocculating agent in water treatment, and for inhibiting the absorption of radio-active strontium.

The major part of the Group's supplies of seaweed is harvested from the coasts of the Scottish islands and western Ireland. The Scottish supplies are received for drying and milling at the Group's collecting stations in the Outer Hebrides. Supplies of weed in milled form are received from two companies in Ireland and also from Norway and South Africa. The Group now owns 49 per cent. of the share capital of the larger of the Irish companies, the balance being held by the Government of the Republic of Ireland.

The Group has now expanded to a point where most of the weed available each year from its existing sources of supply is being harvested. Negotiations are in progress with the authorities in Iceland with a view to obtaining additional supplies of dried milled weed. Harvesting rights in the Falkland Islands have been granted to the Company and a pilot plant to manufacture calcium alginate is already in operation on an experimental basis. It is intended eventually to establish a large scale harvesting and manufacturing operation in the Falkland Islands.

The supplies of milled weed are received at the Group's chemical factories at Barcaldine, Argyllshire and Girvan, Ayrshire, where they are processed and the finished alginate products are manufactured.

Sufficient supplies of water have been made available for the Group's present manufacturing operations by constructing a dam at Barcaldine and tapping the river at Girvan, and further supplies necessary for the proposed expansion will be obtainable from the same sources. The main chemicals used in the manufacturing process (hydrochloric acid, calcium chloride and sodium carbonate) are received from two suppliers, but are readily available from a number of other sources.

The Group's sales organisation is situated in the Head Office in London and is aided by a technical service department. In the six months ended 30th June, 1973, 74 per cent. of sales went to export markets (year to 31st December, 1972: 73 per cent.). The Group exports to approximately ninety countries and has a network of overseas agencies. The Queen's Award to Industry was received in 1968 and 1973 in recognition of the Company's export achievements.

An analysis by area of sales invoiced during 1972 is as follows:

	£'000	%
United Kingdom	1,238	27
Europe (excluding the United Kingdom)	1,705	37
Asia	840	18
America	474	10
Africa	243	5
Australasia	141	3
	4,641	100

No single customer accounts for as much as 10 per cent. of sales. However, about one-third of overseas sales are marketed through the agency of various overseas selling companies of Imperial Chemical Industries Limited.

The Group markets its products under a range of trade names. The main ones are:

Food and pharmaceutical applications	Manucol, Manucol Ester, Manugel, Lacticol and Alginade
Textile and paper applications	Manutex and Collatex
Welding	Welgum
Forestry	Agricol

The Company has modern well equipped laboratory facilities for process research at the factory at Girvan, and has a department for product development and general exploratory work at Grangeston Industrial Estate at Girvan. This department's primary functions are to carry out applied research to find new uses for alginates, to assist the technical service department in answering those customers' enquiries which require extensive laboratory work, to train staff, and to provide agents and customers with a basic knowledge of alginates.

The Group's products have a wide range of applications and are sold to many countries. The Group is thus well placed to meet fluctuations in demand from any particular country or type of user. The Group's competition is of two types—from other alginate manufacturers and from other products which have similar properties to alginates in particular applications. Although competition in certain markets between alginate manufacturers can be keen, it is limited because of the increasing demand for alginate products. Products with properties that compete with alginates are natural gums (particularly locust bean gum and guar gum) and in certain applications starches, celluloses and bio-synthetic gums.

History

The Company was incorporated in England as a private company with the name Cefoil Limited on 22nd March 1934. It changed its name to Alginate Industries Limited on 13th September 1945.

Before 1939 the Company's activities were of an experimental nature. Following the outbreak of World War II, the Company entered into arrangements with the Ministry of Supply for the production of a crude alginate used for making camouflage material. To this end the Ministry erected factories in Scotland, two of which now constitute the Group's manufacturing facilities. The Group's weed collection stations in the Outer Hebrides were established at Orosay in 1944, at Sponish in 1955 and at Keose in 1965. Towards the end of the war, production being no longer required by the Ministry of Supply, the Company embarked upon its commercial career. From the early 1950's onwards, the raw material supply system was developed, and the export agency network and home sales organisation were set up.

Premises

Full details of the premises now owned and used by the Group are set out in the paragraph headed "Valuers' Report" which appears below.

Management and Employees

The Directors of the Company are:—

	Age	Title	Years of executive service	Year of appointment as director
Mr. W. R. Merton	66	Chairman, non-executive	—	1948
Mr. R. R. Merton	59	Managing Director	27	1948
Mr. R. M. T. Campbell-Preston	64	Managing Director	28	1948
Mr. R. H. McDowell	63	Technical Director	26	1953
Mr. D. L. Bankes	54	Export sales Director	26	1953
Mr. F. L. G. Griffith-Jones	56	Home sales Director	22	1960
Mr. M. H. C. Pery	36	Assistant Managing Director	7	1970
Mr. R. F. d'Erlanger	28	Non-executive Director	—	1971

Mr. W. R. Merton is a Managing Director of Robert Fleming & Co. Limited. Mr. R. R. Merton has overall responsibility for sales, finance, administration and technical service. Mr. R. M. T. Campbell-Preston has overall responsibility for raw material supplies, production and process research; on his retirement in January, 1974 these responsibilities will be assumed by Mr. M. H. C. Pery. Mr. R. H. McDowell's responsibilities include product development and technical service. Mr. F. L. G. Griffith-Jones' responsibilities include sales in the United Kingdom, Germany, Holland and Ireland; sales to all the other export markets are the responsibility of Mr. D. L. Bankes. Mr. Campbell-Preston and Mr. Pery are based in Oban; the other executive Directors work from London. Mr. R. F. d'Erlanger is an executive with a merchant bank.

Certain executive Directors have entered into Service Agreements details of which are set out below. The executive Directors are supported by experienced assistants from whose ranks the Company's future managerial needs can be met.

The Group has approximately 660 employees.

There is an Incentive Bonus Scheme designed to give certain employees a direct interest in the profitability of the Group by allocating to each of them a percentage of the Group's gross annual profit as computed for the purposes of the Scheme. The total amount which may be allocated is limited in any year to 15 per cent. of the Group's pre-tax profit as so computed.

Proceeds of Issue and Working Capital

Of the 1,260,000 Ordinary Shares which are the subject of this Offer for Sale, 1,140,352 are newly created shares and the balance is being sold by existing Ordinary Shareholders. After deduction of the expenses of the issue, the net proceeds of the sale of the new Ordinary Shares receivable by the Company are estimated to amount to £1,344,000. These net proceeds will be used to provide finance for further expansion and additional working capital, although initially they will be utilised to repay bank indebtedness.

If the net proceeds receivable by the Company are added to the net tangible assets at 30th June, 1973 as shown by the Accountants' Report the adjusted total is as follows:

	£'000
Net tangible assets at 30th June, 1973	2,505
Add: Net proceeds of issue	1,344
	3,849

After deducting the Preference Share capital of £654,203, the adjusted total is equivalent to net tangible assets of 63·7p per Ordinary Share following completion of the Offer.

Having regard to the proceeds of the issue and the bank and other facilities available to the Group, the Directors are of the opinion that the working capital of the Group is adequate for its present requirements.

Profits, Prospects and Dividends

As the Accountants' Report shows, the Group has increased its turnover in each of the last five years in both the home and export markets. Since the export sales represent a substantial proportion of total sales (six months to 30th June, 1973—74 per cent.), changes in the relative values of sterling and overseas currencies can affect profit margins. In 1968 the profits benefited from the increases made in the sterling export prices following the devaluation of sterling in 1967. During the last three years the Group has implemented a policy of invoicing export sales in the currency of the buyer whenever possible and considered appropriate, and approximately 60 per cent. of export sales are now invoiced in foreign currencies. The decline in the relative value of sterling which has occurred over the past eighteen months has increased the sterling value of these export sales and has resulted recently in a substantial improvement in profit margins.

Group profit before taxation for the six months ended 30th June, 1973 amounted to £480,000 and the Directors expect that, in the absence of unforeseen circumstances, Group profit before taxation for the year ending 31st December, 1973 will be approximately £900,000. The assumptions on which this forecast is based, together with reports thereon, are set out below. Of the forecast profit of £900,000, it is thought that approximately £300,000 may be attributable to the improvement in profit margins caused by increases in the sterling value of export prices quoted in overseas currencies; about one-half of this amount is estimated to have arisen in the six months ended 30th June, 1973. In addition the results for 1973 will reflect the increasing demand for the Group's products.

The Directors believe that, in the absence of unforeseen circumstances, the Group's production and sales will show a further increase in 1974. They also believe that it should largely be possible to cover rising costs by appropriate price increases. On this basis 1974 should show another satisfactory result.

The Company's plans to ensure increasing supplies of weed, referred to above, and the continuing programme of capital investment at the Group's Scottish factories should enable the Company's turnover to continue to grow over the next few years.

On 29th November, 1973 the Directors declared an interim dividend of 2p per Ordinary Share in respect of the year ending 31st December, 1973 payable in January, 1974 to shareholders registered on 29th November, 1973. On the basis of the forecast profit for 1973, the Directors intend to recommend a final dividend of 3p per Ordinary Share in respect of the year ending 31st December, 1973 for payment in June, 1974. In respect of the year ending 31st December, 1974 it is their intention to pay an interim dividend in November, 1974 and to recommend a final dividend for payment in June, 1975.

On the basis of a profit before taxation of £900,000 and a corporation tax rate of 50 per cent., the Directors would have recommended in a full year dividends amounting to 5p per share on an issued Ordinary Share capital of £1,252,864. There are set out below the appropriation of profit (1) on this basis and (2) on the basis that in addition the net proceeds receivable from the issue of the new shares would result in a notional saving of interest (taken at a rate of 10 per cent. per annum for the purposes of illustration) of approximately £130,000 in a full year.

	£'000	(1) £'000	(2) £'000
Profit before taxation		900	900
Interest saving on the proceeds of this Offer for Sale		—	130
		900	1,030
Less: Corporation tax at 50 per cent.		450	515
Profit available for shareholders		450	515
Less: Dividends			
Preference at 5¼ per cent. (gross equivalent: 7½ per cent.)	34		
Ordinary at 5p per share (gross equivalent: 7.14p)	251		
		285	285
Retained profit		165	230
Earnings per Ordinary Share		6.30p	9.58p
At the Offer price of 130p per share, the Ordinary Shares of the Company are being offered for sale			
(a) at a net price/earnings ratio of		15.66	13.61
(b) on a gross dividend yield of (per cent.)		5.49	5.49
The dividend would be covered (times)		1.66	1.81

All the shares of the Company will qualify as wider-range investments for the purposes of the Trustee Investments Act 1961 upon the shares being admitted to the Official List by The Stock Exchange.

Accountants' Report

The following is a copy of a report which has been received from Smallfield, Fitzhugh, Tillett & Co. and Price Waterhouse & Co., the joint reporting accountants:—

24 Portland Place,
London W1N 4AU.

3 Frederick's Place,
Old Jewry,
London EC2R 8DB.

The Directors,
ALGINATE INDUSTRIES LIMITED
ROBERT FLEMING & CO. LIMITED

29th November, 1973

Gentlemen,

We have examined the books and accounts of Alginate Industries Limited ("the company") and its subsidiaries collectively referred to as "the group", for the periods relevant to this report. In our opinion the information set out below gives a true and fair view of the profits of the group for the five and a half years ended 30th June, 1973 and of the state of affairs of the company and the group at the dates shown.

Accounting Policies

The significant accounting policies adopted in arriving at the financial information set out in this report are as follows:

(a) *Stocks and stores*
Stocks and stores are stated at the lower of cost and net realisable value. Cost comprises material and where appropriate, direct labour and factory overheads.

(b) *Depreciation and investment and other capital grants*
Depreciation is provided on fixed assets to write off their cost in equal annual instalments over their expected useful lives. As from 1st July, 1973 depreciation of buildings will be provided on their valuation amounts. Investment and other government capital grants are deducted from the cost of fixed assets and are credited to profit and loss account in equal instalments over the lives of the assets concerned.

(c) *Deferred taxation*
Amounts are set aside for deferred taxation representing the effect of corporation tax (at the relevant annual rates) deferred by reason of capital allowances exceeding the corresponding depreciation charges. Amounts are also set aside for taxation which, under present legislation, would arise if the assets stated at valuation were realised at those amounts.

(d) *Foreign currency*
Assets and liabilities in foreign currencies (including trade debts collectible in overseas currencies) are expressed in sterling at the rates ruling at the balance sheet dates.

(e) *Research and development*
Expenditure on research and development is written off to revenue as incurred.

Profits and Dividends

The following statement of the profits and dividends of the group for the five years and six months ended 30th June 1973 is based on the audited accounts after making such adjustments as we consider appropriate:

	1968 £'000	1969 £'000	1970 £'000	1971 £'000	1972 £'000	6 months ended 30th June 1973 £'000
Turnover						
Home	878	910	945	1,079	1,236	[illegible]
Export	1,709	1,841	2,294	2,669	3,405	[illegible]
	2,587	2,751	3,239	3,748	4,641	[illegible]
Less: Cost of sales (including expenses of finance, management and administration)	2,170	2,399	2,839	3,297	4,171	[illegible]
	417	352	400	451	470	[illegible]
Share of associated company's profits	1	2	-2	2	2	
Profit before taxation	418	354	402	483	472	[illegible]
Taxation	188	156	163	189	197	[illegible]
Profit after taxation	230	198	239	274	275	[illegible]
Preferential dividends	44	44	44	44	34	[illegible]
Profit attributable to equity	186	154	195	230	241	[illegible]
Dividends on equity capital	20	20	20	20	14	[illegible]
Profit retained	166	134	175	210	227	[illegible]

NOTES:—

1. Turnover represents the invoice value of goods despatched to external customers.

2. Included in cost of sales are the following expenses:

	1968 £'000	1969 £'000	1970 £'000	1971 £'000	1972 £'000	1973 (six months) £'000
Depreciation, net of investment and other capital grants credited to revenue	71	98	108	126	155	77
Bank interest payable	10	8	41	59	66	[illegible]
Research and development expenses	64	80	102	118	148	[illegible]

Depreciation of buildings from 1st July, 1973 at their valuation amounts will increase the annual charge by approximately £15,000.

3. Taxation represents corporation tax on the profits for the periods including transfers to deferred taxation. An average tax rate of 47½ per cent. has been assumed for 1973.

4. For the years 1968 to 1971 dividends of 50 per cent. were paid on both the preferential and equity share capital, which consisted of 87,227 50 per cent. £1 non-cumulative preferred ordinary shares and 80,648 50p deferred shares. From 15th February, 1973, when the share capital was reorganised and scrip issues were made, the issued share capital consisted of 654,203 7½ per cent. £1 cumulative preference shares and 3,871,104 25p ordinary shares. The dividends for 1972 were paid on the new share capital under the imputation system at the rates of: preference 5¼ per cent., ordinary 1.4875 per cent. Provision has been made at 30th June, 1973 for a half year's preference dividend at an annual rate of 5¼ per cent.

Alginate Industries Limited —continued

Balance Sheets at 30th June, 1973

The balance sheets of the company and of the group at 30th June, 1973 are set out below:—

THE COMPANY £'000 Cost or valuation	THE COMPANY £'000 Depreciation		THE GROUP £'000 Cost or valuation	THE GROUP £'000 Depreciation	THE GROUP £'000 Net
		Fixed Assets			
608	—	*Freehold property (Note 1)*	799	—	799
370	—	Shortterm leasehold property (Note 1)	382	—	382
1,718	714	Plant, equipment and vehicles	1,956	832	1,124
2,696	714		3,127	832	
	1,982				2,295
		Interest in Subsidiaries			
61		Shares			
73		Net amounts owing by subsidiaries			
	134				
	14	**Interest in Associated Company (Note 3)**			33
		Current Assets			
1,049		Stocks and stores		1,117	
1,522		Debtors		1,534	
2		Cash		9	
2,573				2,660	
		Deduct: **Current Liabilities**			
564		Creditors		603	
159		Taxation		161	
1,062		Bank overdrafts (Note 2)		1,069	
17		*Preference dividend*		17	
1,802				1,850	
	771	**Net Current Assets**			810
	2,901				3,138
	564	**Deferred Taxation**			633
	2,337	**Net Tangible Assets**			2,505
		Representing:			
		Share Capital			
654		Preference		654	
968		Ordinary		968	
	1,622				1,622
	715	**Reserves**			883
	2,337				2,505

NOTES:—

1. The property, except for freehold land in the Republic of Ireland, is stated at a professional valuation at 30th June, 1973 by *Knight, Frank & Rutley, Surveyors and Valuers. The* office premises in London have been valued at £250,000 on an open market basis, as between a willing vendor and a willing purchaser. The properties in Scotland have been valued *at £826,400* as part of the assets of a going concern by adopting a depreciated replacement cost basis and taking into account the value of the land. The freehold *land* in the Republic of *Ireland* is stated at a directors' valuation of *£95,000,* the amount realised on its sale in October, 1973.

The *surplus of £557,000, arising* on the valuation less deferred taxation thereon of £188,000, has been included in reserves.

2. The bank overdrafts of the company were secured.

3. The interest in associated company relates to the company's holding, which at 30th June, 1973 was 22 per cent., in the ordinary share capital of Arramara Teoranta, incorporated in the Republic of Ireland, and comprised:

Shares at cost	11,000
Share of undistributed profits since acquisition	19,000
	30,000
Amount owing on loan account	3,000
	£33,000

4. At 30th June, 1973 the Directors had approved future capital expenditure for the group of £940,000 (company: £928,000) of which £215,000 (company: £208,000) had been contracted for.

5. At 30th June, 1973 there were contingent liabilities amounting to £17,000 in respect of bills of exchange sold to the company's bankers.

Summary of Balance Sheets

There is set out below a summary of the group balance sheets at 31st December, 1967 to 1972 and at 30th June, 1973 based on the amounts shown in the audited accounts at those dates and after making such adjustments as we consider appropriate.

	31st December 1967 £'000	1968 £'000	1969 £'000	1970 £'000	1971 £'000	1972 £'000	30th June 1973 £'000
Fixed assets							
Property (1973 at valuation)	236	260	331	371	433	556	1,171
Plant, equipment and vehicles	413	466	646	738	785	982	1,124
	649	726	977	1,109	1,218	1,538	2,295
Interest in Associated Company	22	27	28	29	31	32	33
	671	753	1,005	1,138	1,249	1,570	2,828
Current Assets							
Stocks and stores	553	465	704	1,000	1,295	1,299	1,117
Debtors	591	751	883	1,062	927	1,037	1,534
Cash	15	13	12	14	15	8	9
	1,159	1,229	1,599	2,076	2,237	2,344	2,660
Current Liabilities							
Creditors	227	285	359	436	454	521	603
Taxation	214	353	377	305	278	210	161
Bank overdrafts	220	10	396	817	825	929	1,069
Dividends	64	64	64	64	64	49	17
	725	712	1,196	1,622	1,621	1,709	1,850
Net Current Assets	434	517	403	454	616	635	810
	1,105	1,270	1,408	1,592	1,865	2,205	3,138
Deferred Taxation	121	120	124	133	196	309	633
Net Tangible Assets	984	1,150	1,284	1,459	1,669	1,896	2,505
Representing:							
Share Capital	128	128	128	128	128	128	1,622
Reserves	856	1,022	1,156	1,331	1,541	1,768	883
	984	1,150	1,284	1,459	1,669	1,896	2,505

The increase in share capital between 31st December, 1972 and 30th June, 1973 results from the scrip issues made on 15th February, 1973.

Accounts

No accounts for submission to members have been prepared subsequent to those for the year ended 31st December, 1972. Interim accounts for the six months ended 30th June, 1973 have been prepared and audited for the purpose of this report.

Yours faithfully,

SMALLFIELD, FITZHUGH, TILLETT & CO. *Chartered Accountants*

PRICE WATERHOUSE & CO. *Chartered Accountants*

Valuers' Report

The following is a copy of a valuation of the properties of the Group by Knight, Frank & Rutley, Surveyors and Valuers:—

20 Hanover Square,
London W1R 0AH.
29th November, 1973.

The Directors,
ALGINATE INDUSTRIES LIMITED

Gentlemen,

In accordance with your instructions to value certain specified assets in the occupation of your Company and its Subsidiaries ("the Group"), we have made inspections and WE ARE OF THE OPINION that the total value of these assets as at 30th June, 1973 was in the sum of ONE MILLION, SEVENTY SIX THOUSAND AND FOUR HUNDRED POUNDS (£1,076,400). We set out hereunder brief particulars together with our apportioned values:—

Property	Description	Tenure	Valuation £
22 Henrietta Street and 33 Bedford Street, London, W.C.2.	*Two intercommunicating office* buildings on ground floor, basement and three upper floors, with a total floor area *of about 7,670 square feet.*	*22 Henrietta Street* Held on a full repairing and insuring lease expiring on 25th March 2012, at £1,800 *per annum exclusive of all* outgoings. 33 Bedford Street Held under full repairing and insuring leases expiring on 25th December 1981 at rents totalling £3,000 per annum exclusive of all outgoings, subject *to reviews on the 29th* September, 1976 in respect of *the ground floor and basement* and on the 25th December, 1974 in respect of the upper part.	250,000
Ladyburn, ...pple, Girvan, Ayrshire.	Chemical works, located on the coast and occupying a site of about 14.739 acres; developed by a conglomerate *of single-storey,* steel-framed industrial buildings erected at various periods over the past thirty years, together with a modern two-storey *brick built* office and laboratory block and extensive modern warehouse buildings. The total covered *floor area amounts to about* 178,237 square feet.	About 6.19 acres, on which the majority of the original factory buildings are situated (amounting to about 111,400 square feet) is rented *on lease from the* Department of the Environment from 1st January, 1962 for a term of 21 years at a rent of £2,790 *per annum exclusive of all* outgoings. The tenants have an option to break at the end of the 14th year and an option to purchase ownership of the subjects in the sum of £35,000. The remainder of the land, *including* 3 acres on which are erected pumping stations, is in the ownership of the Company.	426,500
Kingeston Industrial Estate, Girvan, Ayrshire.	Two laboratories and a warehouse extending to about 16,657 square feet on a site of approximately 1.01 acres.	Held on a repairing and insuring agreement with the Burgh of Girvan, for a term of 20 years from 1st May 1964 at an annual rental of £1,600 exclusive of outgoings, the *rental being subject to review* at 5-yearly intervals.	8,000
Barcaldine, Oban, Argyllshire.	Chemical works occupying a site area of about 10.193 acres, *and* developed by a compact range of single-storey steel framed buildings, including ancillary *offices, storage areas,* warehouses, laboratories and garage workshops, with an aggregate floor area of *about* 125,135 square feet. There is a recently constructed, reinforced concrete T-shaped jetty to facilitate off-loading *of raw* material. At Glen Dubh is a reservoir covering about 13.3 acres, forming an integral part of the property which it *supplies with* water.	The whole of the property is in *the ownership of* the Group but a section of the site, extending to about 3 acres, on which the majority of the factory buildings stand (amounting to about 104,735 square feet) is let on ground lease to the Department of the Environment. for a term of 80 years from the 11th November, 1941 at a rental of £15 per annum. The Department of the Environment has granted back an underlease to the Company for a term of 21 years from 1st January, 1962, at rents totalling £2,115 per annum, exclusive of outgoings.	[illegible]
...se, Stornaway, Isle of Lewis.	Seaweed processing plant *occupying* a peninsular site of about 1.5 acres, served by a concrete jetty. Buildings, erected within the last ten years, *have a covered area of about* 10,780 square feet.	In the ownership of the Group.	45,000
...nish, Lochmaddy, North Uist.	Seaweed processing plant on *a peninsular site* extending to an area of about 29.6 acres. Buildings, with ancillary offices and a flat, extend to about *14,200 square feet.*	In the ownership of the Group.	40,800
...say, North Boisdale, South Uist.	Seaweed processing plant occupying a site with an area *of about* 3.877 acres. Buildings, covering about 15,800 square feet, erected over the past thirty years.	Rented on lease by the Group for a term of 50 years from 13th September, 1935 at an exclusive rental of *£15 per annum.*	12,250
			£1,076,400

The office premises in London have been valued on an open market basis, as between a willing vendor and a willing purchaser, subject to the leases stated. The factory and depot premises in Scotland have been valued as part of the assets of a going concern by adopting a depreciated replacement cost basis and taking into account *the value of the land.*

The floor areas, obtained from plans supplied by the Group and check measurements on site, are net usable in the case of the London properties and are gross in the case of the Scottish properties.

It is assumed that the properties are free of any undisclosed onerous burdens, restrictions or charges and that *there are good and marketable titles to the properties. Information concerning Leases has been obtained in the* course of our reading of relevant documents loaned by the Group.

We have not carried out structural surveys and cannot attest that the buildings are free from structural defects, dry rot and other forms of infestation.

Yours faithfully,
KNIGHT, FRANK & RUTLEY

Since 30th June, 1973, the option to acquire ownership of land at Ladyburn, Girvan referred to above has been exercised.

STATUTORY AND GENERAL INFORMATION

Share Capital

Two years prior to this Offer for Sale the authorised share capital of the Company was £150,000 divided into 100,000 50 per cent. non-cumulative Preferred Ordinary Shares of £1 each, of which 87,227 were issued and fully paid, and 100,000 Deferred Shares of 50p each of which 80,648 were issued and fully paid. On 15th February, 1973 the authorised share capital was increased to £1,700,000 consisting of 654,203 50 per cent. non-cumulative Preferred Ordinary Shares of £1 each and 2,091,594 Deferred Shares of 50p each. On the same date, 566,976 50 per cent. non-cumulative Preferred Ordinary Shares of £1 each and 1,854,904 Deferred Shares of 50p each were issued to existing holders by way of capitalisation of reserves on the basis of 13 additional Preferred Ordinary Shares for every two such shares held and 23 additional Deferred Shares for each share held; each Deferred Share of 50p was then subdivided into 2 Deferred Shares of 25p. On the same date all the issued Preferred Ordinary Shares were converted into 7½ per cent. Cumulative Preference Shares of £1 each and all of the issued Deferred *Shares* were converted into Ordinary Shares of 25p each.

On 28th November, 1973 the authorised share capital of the Company was increased to £2,300,000 by the creation of 2,400,000 new Ordinary Shares of 25p each. On the same day the Company altered its Articles of Association *and became a public company.*

Offer for Sale Agreement

Under Contract (1) below Robert Fleming & Co. Limited ("Robert Fleming") has agreed, subject to the Council of The Stock Exchange admitting to the *Official* List the whole of the issued Preference and Ordinary share capital of the Company not later than 7th December, 1973,

(i) to subscribe in cash at 127½p per share for 1,140,352 Ordinary Shares of 25p each, and
(ii) to purchase 119,648 Ordinary Shares of 25p each from certain existing shareholders ("the Vendors") at a price of 127½p per share

and to offer the said shares for sale to the public.

The said contract provides *inter alia* that the Company will pay the costs and expenses of, and incidental to, the application to the Council of The Stock Exchange, its own legal and all accountancy fees and other expenses of, and incidental to, the increase of its share capital and the alteration of its Articles of Association, all printing charges and a fee to Robert Fleming. The total expenses payable by the Company are estimated to amount to £110,000, exclusive of V.A.T. Robert Fleming will pay, pursuant to underwriting agreements to which the Company is not a party, commission of 1¼ per cent. of the offer price in respect of the Ordinary Shares now offered for sale, stamp duty, its own legal expenses and a fee to the Brokers.

The contract also contains warranties and indemnities by the Directors, the Vendors and certain Shareholders, *including indemnities in respect of taxation and estate duty.*

Articles of Association

The Articles of Association of the Company contain provisions, *inter alia,* to the following effect:—

Share Capital

1. Dividends:—The net profits of the Company available for distribution and resolved to be distributed shall be applied first in payment of a fixed cumulative preferential dividend of 7½ per cent. per annum on the Preference Shares and next in payment of dividends on the Ordinary Shares.

NOTE:—Pursuant to the Finance Act 1972, the dividend payable on the Preference Shares is now at the rate of 5¼ per cent. per annum in respect of which, at the present rate of imputed tax, shareholders receive credit for income tax purposes at the rate of 2¼ per cent. per annum.

2. Capital:—On a return of assets on liquidation or otherwise the surplus assets are to be applied first in repaying to the holders of the Preference Shares the amounts paid up thereon together with any arrears of the dividend thereon and subject thereto shall be distributed amongst the holders of Ordinary Shares.

3. Voting:—Holders of the Preference Shares are not entitled to receive notice of or attend or vote at any General Meeting unless a resolution is to be proposed for winding-up the Company or reducing its capital or varying or abrogating any of the special rights attaching to the Preference Shares or unless the dividend on such shares is more *than 6 months in arrear.*

Subject to any special rights or restrictions as to voting attaching to any class of shares, at any General Meeting on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

4. *Variation of Rights and Further Issues:—The special rights attaching to any class of share may be varied or* abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of such holders. At such General Meeting the necessary *quorum* shall be at least two persons holding or representing by proxy one-third in nominal *amount* of the issued shares of the class and if at any adjourned meeting a quorum is not present any two holders of shares of the class present in person or by proxy shall be a quorum. The issue of any further shares ranking in priority to or in any respect *pari passu* with the Preference Shares shall constitute a variation of the rights attached to those shares but subject thereto, an issue of further shares ranking *pari passu* in any respect with any class of shares shall not constitute such a variation.

Directors

1. Remuneration:—The remuneration of the Directors shall be determined by Ordinary Resolution of the Company. In addition any Director appointed to any executive office (including the office of Chairman or Deputy Chairman) who serves on any committee or who otherwise performs duties outside the scope of the ordinary duties of a Director may be paid such extra remuneration as the Directors may determine. The Directors may pay or agree to pay pensions or other retirement, superannuation, death or disability benefits to or in respect of any Director or ex-Director of the Company or any subsidiary.

2. Restrictions on Voting: (A) Save as provided below, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(B) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:—

(i) The giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries.
(ii) The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security.
(iii) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof.
(iv) Any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, but is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company or of any third company through which his interest is derived.
(v) Any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes.

(C) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (B) (iv) above) *shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his* own appointment.

(D) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such *question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be* final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

3. Retirement:—The provisions of Section 185 of the Companies Act 1948 (retirement of Directors under age *limit) apply to the Company. No Director holding office as Managing or Joint Managing Director shall be subject to* retirement by rotation.

Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities provided that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (excluding intra-Group borrowings) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to twice the share capital and consolidated reserves as defined in the Articles of Association.

Subsidiary and Associated Companies

Company	Issued share capital	Date of incorporation	Country of incorporation	Percentage of issued shares owned %
Alginate Industries (Scotland) Limited	£35,002	16th September, 1946	England	100
Alginate Industries (Manufacturing) Limited	£100	14th December, 1967	England	100
Alginate Industries (Sales) Limited	£100	22nd October, 1969	England	100
Manucol Products Limited	£500	18th June, 1936	England	100
Alginate Industries (Ireland) Limited	£25,000	1st January, 1965	Republic of Ireland	100
Manucol Products Incorporated	None issued	5th August, 1936	United States of America	—
Alginate Industries GmbH	DM20,000	19th November, 1973	West Germany	100
Arramara Teoranta	£77,000	12th February, 1947	Republic of Ireland	49

Directors' and Other Interests

(a) The interests of the Directors in the issued share capital of the Company as appearing from the register maintained under the provisions of the Companies Act 1967 are as follows:—

Name of Director	Number of Preference Shares Beneficial Interest	Other Interest	Number of Ordinary Shares Beneficial Interest	Other Interest
Mr. W. R. Merton	—	30,653	197,424	260,112
Mr. R. R. Merton	—	7,327	140,064	11,568
Mr. R. M. T. Campbell-Preston	—	—	144	—
Mr. R. H. McDowell	375	—	96	—
Mr. D. L. Bankes	375	—	48	—
Mr. F. L. G. Griffith-Jones	7	—	48	—
Mr. M. H. C. Pery	7	—	—	—
Mr. R. F. d'Erlanger	14,825	—	192,000	—

Save for Moorgate Holdings Company Limited which is interested in 141,945 Preference Shares and 1,418,112 *Ordinary Shares of the Company, the Directors are not aware of any other actual or prospective holding of 10 per* cent. or more of the Company's issued Preference or Ordinary share capital.

(b) Mr. R. R. Merton receives commissions in respect of certain of the Company's insurance policies.

Save as disclosed herein, no Director had within two years preceding the date hereof or has now any interest, *direct or indirect, in any asset which has been or is proposed to be acquired, disposed of by or leased to the Company* or any subsidiary nor are there any contracts or arrangements of significance (as defined by the regulations of The Stock Exchange) in which any Director is interested.

Directors' Service Agreements and Remuneration

(a) The following are particulars of existing Service Agreements between the Company and the Directors of the Company:—

Director	Commencing Date	Expiry Date	Nature of Appointment	Annual Salary £
R. R. Merton	1st December, 1973	31st December, 1978	Managing Director	8,000
D. L. Bankes	1st December, 1973	31st December, 1978	Export sales Director	4,900
F. L. G. Griffith-Jones	1st December, 1973	31st December, 1978	Home sales Director	4,900
M. H. C. Pery	*1st January, 1974*	31st December, 1978	*Managing Director*	*8,000*

In addition, each of the above Directors is entitled to participate in the Company's Incentive Bonus Scheme mentioned above.

(b) The aggregate emoluments of the Directors for 1972 totalled £34,000. The emoluments for 1973 under arrange*ments now in force are estimated to amount to approximately £50,000.*

Taxation

1. Prior to this Offer for Sale the Company was a close company as defined in the Income and Corporation Taxes Act 1970. The Directors are unable to state whether this position will change after completion of this Offer for Sale.

2. Shortfall clearances covering the relevant periods up to and including 31st December, 1972 have been obtained by the Company.

Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into within the two years preceding the date of this Offer for Sale and are or may be material:

(1) Dated 29th November, 1973 between the Company (1), Mrs. L. P. R. A. Cameron-Head (96,000 shares); G. R. Fox and E. L. Hancock, *executors of H. Sherwood, deceased* (17,088 shares); and the Duke of Atholl, J. P. Fraser and A. J. Buchanan (6,560 shares) ("the Vendors") (2), the Vendors (other than G. R. Fox and E. L. Hancock), W. R. Merton, R. R. Merton, R. F. d'Erlanger and Moorgate Holdings Company Limited (3), the Directors of the Company (4) and Robert Fleming (5) being the Offer for Sale Agreement referred to above under which Robert Fleming agreed to purchase from the Vendors those numbers of Ordinary Shares of 25p each in the Company set out after their names above, to subscribe for 1,140,352 Ordinary Shares of 25p each in the Company and to make this Offer for Sale.

(2) Dated 20th September, 1972 between His Excellency the Governor of the Colony of the Falkland Islands ("the Governor") (1) and the Company (2) whereby the Governor (i) undertook to *grant* a Licence to the Company pursuant to the Control of Kelp Ordinance 1970 to harvest, process and export kelp (as defined in the Ordinance) in and from the Falkland Islands and (ii) gave certain further undertakings in connection with the operations of the Company in the Falkland Islands.

(3) Dated 20th September, 1972 between the Governor (1) and the Company (2) being the exclusive Licence granted by the Governor to the Company pursuant to Contract No. (2) above to harvest, process and export kelp for a period of fifty years (or such other period as may be agreed) in and from the area of the Falkland Islands defined in the Licence in consideration of the payment of an annual fee of £1, together with certain additional fees (which from 1974 onwards cannot be less than £2,500 per annum) calculated according to the annual production of dried milled kelp.

Miscellaneous

(a) During the two years immediately preceding the date of publication of this Offer for Sale and save as otherwise mentioned herein:—

(i) No share or loan capital of the Company or any subsidiary has been issued for cash or for a consideration other than cash (*other* than issues by subsidiaries to the Company) and no such capital of the Company or any subsidiary is now proposed to be issued;

(ii) No commissions, discounts, brokerages or other special terms have been granted by the Company or any subsidiary in connection with the issue or sale of any part of their respective share or loan capitals.

(b) Save as otherwise mentioned herein, no share or loan capital of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.

(c) The minimum sum which in the opinion of the Directors must be raised by the issue of the new Ordinary Shares in order to provide for the purposes specified in paragraph 4 of Part 1 of the Fourth Schedule to the Companies Act 1948 is £1,344,000 all of which will be utilised as working capital. No other amounts are required to be provided for such purposes.

(d) Neither the Company nor any subsidiary has any litigation or claims of material importance pending or threatened against it.

(e) There are no life or, save as disclosed herein, long term service agreements in existence with the Company or any subsidiary.

(f) The documents attached to the copy of this Offer for Sale delivered to the Registrar of Companies were (i) copies of the material contracts listed above; (ii) the statement of adjustments made by the Joint Reporting Accountants in arriving at the figures shown in their Report and giving the reasons therefor; and (iii) the written consents referred to below.

(g) The balance of the authorised but unissued Ordinary Share capital of the Company will be £392,933. The Directors have no present intention of issuing any of this capital and no issue will knowingly be made which would effectively alter control of the Company or the nature of its business without the prior approval of the shareholders in general meeting. No material issue of shares (other than to shareholders *pro rata* to existing holdings) will be made within one year without prior approval of the Company in general meeting.

Profit Forecast

Assumptions

The forecast of profit of the Group for the year ending 31st December, 1973 has been made by the Directors on the assumptions that:

(a) International disputes will not affect the Group's exports or essential supplies;
(b) rates of exchange will not change materially from those now prevailing; and
(c) the Group's operations will not be adversely affected to any material extent by labour disputes, shortages of supplies (including fuel and power), or major plant breakdowns.

Reports

The following are copies of letters addressed to the Board of the Company relating to the profit forecast for the year ending 31st December, 1973:—

24 Portland Place,
London W1N 4AU.

3 Frederick's Place,
Old Jewry,
London EC2R 8DB.

The Directors,
Alginate Industries Limited

29th November, 1973

Gentlemen,

We have reviewed the accounting bases and calculations of the profit forecast of Alginate Industries Limited *and its subsidiaries (for which the Directors are solely responsible) for the year ending 31st December, 1973,* set out in the Offer for Sale dated 29th November, 1973. The forecast includes the results shown by the audited interim accounts for the six months ended 30th June, 1973.

In our opinion the forecast, so far as the accounting bases and calculations are concerned, has been properly *compiled on the footing of the assumptions made* by the Board set out in the Offer for Sale and the accounting policies normally adopted by Alginate Industries Limited and its subsidiaries have been followed in its preparation.

Yours faithfully,

SMALLFIELD, FITZHUGH, TILLETT & CO., *Chartered Accountants*

PRICE WATERHOUSE & CO., *Chartered Accountants*

8 Crosby Square,
London EC3A 6AN.

The Directors,
Alginate Industries Limited

29th November, 1973

Gentlemen,

We have discussed with you and with Smallfield, Fitzhugh, Tillett & Co. and with Price Waterhouse & Co. the profit forecast of Alginate Industries Limited and its subsidiaries for the year ending 31st December, 1973, given in our Offer for Sale dated 29th November, 1973.

We consider that the profit forecast (for which the Directors are solely responsible) has been made after due and careful enquiry.

Yours faithfully,

ROBERT FLEMING & CO. LIMITED,
DAVID C. F. PEARSON, *Director.*

Consents

Smallfield, Fitzhugh, Tillett & Co. and Price Waterhouse & Co. have given and have not withdrawn their written consents to the issue of this Offer for Sale with the inclusion herein of the Accountants' Report and their reports on the profit forecast and references thereto in the form and context in which they are included.

Robert Fleming has given and has not withdrawn its written consent to the issue of this Offer for Sale with the inclusion herein of its report on the profit forecast and references thereto in the form and context in which they are included.

Knight, Frank & Rutley have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion herein of their Valuers' Report and references thereto in the form and context in which they are included.

Documents for Inspection

Copies of the following documents may be inspected at the offices of Linklaters & Paines, Barrington House 59/67 Gresham Street, London, EC2V 7JA, during usual business hours on any weekday (excluding Saturdays) for a period of fourteen days from the date hereof:—

(a) the Memorandum and Articles of Association of the Company;
(b) the Accountants' Report, together with their Statement of Adjustments;
(c) the Valuers' Report;
(d) the written consents listed above;
(e) the Material Contracts and Directors' Service Agreements listed above; and
(f) the audited consolidated accounts of the Company for the financial periods covering the six and a half years ended 30th June, 1973.

29th November, 1973

PROCEDURE FOR APPLICATION

Applications (which must be for a minimum of 100 Shares and in multiples of 100 Shares up to 2,000 Shares, between 2,000 and 5,000 Shares in multiples of 500 Shares, between 5,000 and 25,000 Shares in multiples of 1,000 Shares and thereafter in multiples of 5,000 Shares) must be made on the Application Forms provided and forwarded to Lloyds Bank Limited, Issue Department, P.O. Box 287, 51 Gracechurch Street, London EC3P 3DD to arrive not later than 10 a.m. on 6th December, 1973. Each Application Form must be accompanied by a separate cheque (which must be drawn on a bank in and be payable in England, Scotland or Wales) in respect of the full amount payable on application, made payable to Lloyds Bank Limited and crossed "Not Negotiable". No application will be considered unless the above conditions are fulfilled.

Robert Fleming reserves the right to present all cheques for payment on receipt, to retain Letters of Acceptance and surplus application moneys pending the clearance of all cheques and to reject or scale down applications and, in particular, multiple and suspected multiple applications.

Preferential consideration will be given in respect of a maximum of 125,000 Ordinary Shares to applications made by employees and by executive directors on the special forms provided for the purpose. Such applications must be for a minimum of 50 Shares and in multiples of 50 Shares.

Acceptances of applications will be conditional upon the whole of the issued share capital of the Company being admitted to the Official List of The Stock Exchange, not later than 7th December, 1973. Moneys paid in respect of applications will be returned if such admission to the Official List has not been granted by that date and, in the meantime, will be retained by Lloyds Bank Limited in a separate account.

If any application is not accepted the amount paid on application will be returned in full and, if any application is accepted for fewer Shares than applied for the balance of the amount paid on application will be returned by cheque through the post, in either case at the applicant's risk.

Letters of Acceptance will be renounceable up to 25th January, 1974. The Shares now being offered for sale will be registered free of stamp duty and registration fees in the names of the purchasers or persons in whose favour Letters of Acceptance have been renounced, provided that, in the case of renunciation, Letters of Acceptance duly completed in accordance with the instructions contained therein are lodged for registration on or before 25th January, 1974. Share certificates will be ready for delivery on and after 22nd February, 1974.

APPLICATION FORM

THE APPLICATION LIST WILL OPEN AT 10 a.m. ON THURSDAY, 6th DECEMBER, 1973 AND WILL CLOSE ON THE SAME DAY.

This Form should be filled in and forwarded to Lloyds Bank Limited, Issue Department, P.O. Box 287, 51 Gracechurch Street, London, EC3P 3DD together with a cheque for the full amount payable on application, so as to arrive not later than 10 a.m. on Thursday, 6th December, 1973. Cheques, which must be drawn on a bank in and be payable in England, Scotland or Wales, must be made payable to "Lloyds Bank Limited" and be crossed "Not Negotiable" and are liable to be presented for payment on receipt. A separate cheque must accompany each application.

Robert Fleming & Co. Limited
Offer for Sale
1,260,000 Ordinary shares of 25p each at 130p per share
(Payable in full on application) of

Alginate Industries Limited

To: ROBERT FLEMING & CO. LIMITED
Gentlemen,

Number of shares for which application is made ★	*Amount of cheque enclosed* ★
	£

★ Applications must be for a minimum of 100 shares; applications for up to 2,000 shares must be in multiples of 100 shares, between 2,000 and 5,000 shares in multiples of 500 shares, between 5,000 and 25,000 shares in multiples of 1,000 shares, and above 25,000 shares in multiples of 5,000 shares.

I/We enclose a cheque payable to Lloyds Bank Limited for the above-mentioned sum, being the amount payable in full on application for the stated number of the above Ordinary shares of 25p each at 130p per share and I/we offer to purchase that number of shares and I/we agree to accept the same or any smaller number in respect of which this application may be accepted upon the terms of your Offer for Sale dated 29th November, 1973 and subject to the Memorandum and Articles of Association of the Company. I/We request that you send to me/us a fully paid renounceable Letter of Acceptance in respect of such Ordinary shares, together with a cheque for any amount overpaid, by post at my/our risk to my/our address first given below.

An applicant who is unable to make the following Declaration should delete it and consult an Authorised Depositary* (or an Approved Agent in the Republic of Ireland†) through whom lodgement should be effected.

I/We declare that I am/we are not resident outside the Scheduled Territories‡ and am/are not acquiring the Ordinary shares as the nominee(s) of any person(s) resident outside those Territories.

I/We understand that due completion and delivery of this Application Form accompanied by a cheque will constitute a representation that the cheque will be honoured on first presentation. I/We acknowledge that Letters of Acceptance and cheques for excess application moneys are liable to be held pending clearance of applicants' cheques.

(1)
Signature ________________ Date ________________

Please use Block Letters

Forename(s) (in full)
Surname and designation (Mr., Mrs., Miss or Title)
Address (in full)

(2) ________________ *Signature*
Forename(s) (in full) ________________
Surname and designation (Mr., Mrs., Miss or Title) ________________
Address (in full) ________________

(3) ________________ *Signature*
Forename(s) (in full) ________________
Surname and designation (Mr., Mrs., Miss or Title) ________________
Address (in full) ________________

(4) ________________ *Signature*
Forename(s) (in full) ________________
Surname and designation (Mr., Mrs., Miss or Title) ________________
Address (in full) ________________

Please pin top left corner of cheque here.

CUT ALONG THIS LINE

ALL JOINT APPLICANTS MUST SIGN

A corporation should sign under the hand of a duly authorised official who should state his representative capacity.

No receipt will be issued for the payment on application but an acknowledgement will be forwarded in due course through the post by fully paid renounceable Letter of Acceptance and/or return of application moneys or any surplus thereof.

EXCHANGE CONTROL ACT 1947

* Authorised Depositaries are listed in the current issue of the Bank of England's Notice E.C. 1 and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom, the Channel Islands or the Isle of Man.
† An approved Agent in the Republic of Ireland is defined in the current issue of the Bank of England's Notice E.C. 10.
‡ The Scheduled Territories at present comprise:— The United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

★ Amount payable on application:—

Number of shares	Amount payable	Number of shares	Amount payable	Number of shares	Amount payable
100	£130	600	£780	1,000	£1,300
200	£260	700	£910	5,000	£6,500
300	£390	800	£1,040	10,000	£13,000
400	£520	900	£1,170	20,000	£26,000
500	£650				

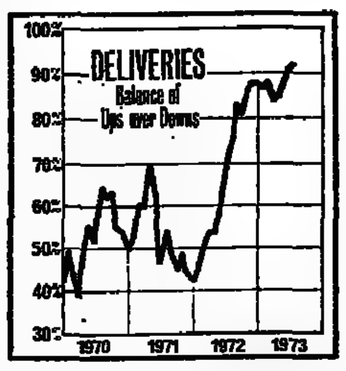
FT Monthly Survey of Business Opinion

GENERAL OUTLOOK

Industry is less confident

THE MIDDLE EAST oil embargo and the latest rise in interest rates — combined with the recent acceleration in inflationary pressures and the continuing shortages of manpower and materials — have dampened upon business optimism.

Among companies interviewed or re-interviewed for the Financial Times monthly survey after last month's oil cuts and higher interest rates, there was a tendency to take a less buoyant view about the future trends of orders and production increases.



Investment intentions remain high, however, although it is too soon yet for the possible implications for capital spending plans to have been fully considered.

The latest trade figures have also made an impact. Many companies who were re-interviewed after these were published last month had changed their minds about the outlook for the economy.

But export prospects are still considered to be excellent. Companies in all three sectors surveyed last month were more optimistic about export opportunities than four months before. The three sectors were building and construction, including building materials producers; food and tobacco; and textiles and clothing.

One major factor here is the favourable exchange rates situation. But several compaines also cited the influence of recent overseas acquisitions and in some sectors—cement clinker for example—the shortages currently being experienced in overseas markets.

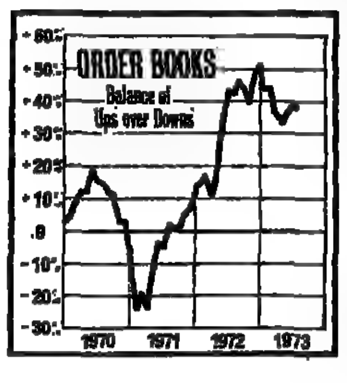
In the meantime, the current pace of expansion remains high. New orders and deliveries are both continuing to increase.

Shortages of materials, manpower, and plant capacity are also still widespread. But views about future manpower requirements appear to be easing slightly—though to some extent this may reflect what companies expect to happen rather than what they would like to see happen.

ORDERS AND OUTPUT

Activity stays at a high level

THE PACE of expansion still *shows no sign of slackening* in any of the three sectors surveyed this time. The rate of both current orders and deliveries are still tending to rise. But, looking further ahead, there are more doubts, especially among companies interviewed or re-interviewed after last month's further rise in interest rates and the declaration of a state of emergency.



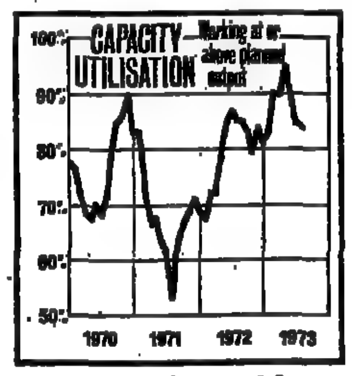
In the building and construction sector—which includes building materials—companies are now inclined to expect their order books to decline over the next four months, and they take a *more pessimistic view* than four months ago about the amount by which they expect their turnover to grow over the next year. One factor here is the expected decline in housebuilding. Much will also depend on the level of public spending—on the public works side as well as in the municipal housing sector.

The food and tobacco group is less pessimistic. But the textiles/clothing group is more optimistic about the future level of business than when it was surveyed four months ago.

CAPACITY AND STOCKS

Shortages are widespread

ANOTHER sign of a possible change of gear can be seen in the latest forecast for stocks. There is now a general tendency for respondents to be less inclined to think that stocks of materials and finished goods and work in progress will increase over the next 12 months. There are differences as between the three sectors—the food and tobacco group lean towards expecting stock levels to remain unchanged while the textiles and clothing sector foresee some increase.



But expectations about stocks also reflect availability, expectations about price increases, and the current high cost of finance. Many companies believe that their stock levels are too low for *current sales but there is a need* to economise while interest rates remain high.

In the meantume, manpower shortages remain widespread, though there may be some slight easing on the materials and plant capacity side. Specific materials shortages cited include sanitary ware, copper piping, plaster, plant spares, phosphate rock, aggregates, timber, and steel in the construction sector; bottles and packaging materials in the food/tobacco group; and wool, cotton, and various man-made fibres in the textiles/clothing sector.

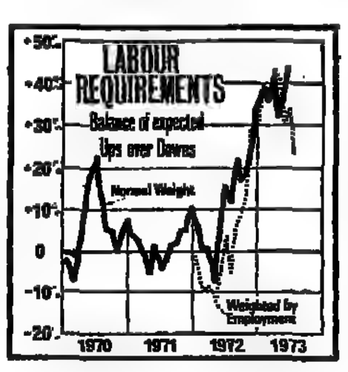
CAPACITY WORKING

	4 Monthly moving total				November 1973		
Those working at:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Above target capacity	37	39	42	41	73	4	9
Planned output	47	46	48	54	8	92	51
Below target capacity	15	14	10	5	19	4	40
No answer	1	1	—	—	—	—	—

INVESTMENT AND LABOUR

Manpower demand may ease

ALTHOUGH most firms in all three sectors still expect their forward manpower needs to be greater, there is a tendency for this to be a little less widespread than previously. As a result, our all-industry "index" has edged back a little. To some extent companies are talking about what they expect to happen rather than what they would like to happen. Many have lost staff because of the effects of the pay code or they face great difficulty in recruiting to meet planned expansion.



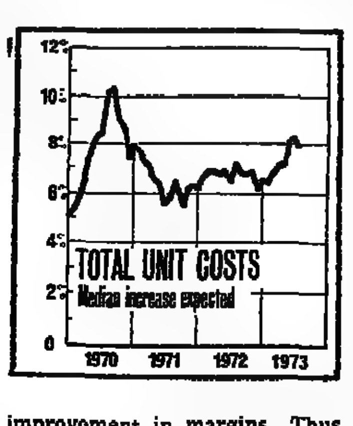
Investment intentions continue to rise. But it is probably too soon for capital spending plans to have been widely re-considered in the light of the latest increase in interest rates and the latest views about market trends at home and overseas following the Arab oil embargo.

Our all-industry index is now at a relatively high level compared with past years. As for sources of capital funds, increasing mention is being made of the need to tap external sources, such as bank overdrafts and leasing, over the coming year.

COSTS AND PROFIT MARGINS

Less pressure on margins

FORWARD cost expectations are still creeping up although not quite at the rate of the past few months. On wage costs, both the building and construction sector and the food and tobacco group foresee a more rapid increase over the next year than when they were last surveyed, but this is offset by a somewhat more sanguine view in the textiles and clothing sector.



The effect of rapidly rising material prices is very evident in the food/tobacco and textiles/clothing groups, where the median forecasts for total unit costs and output prices are very much higher than the median forecasts for wage costs. But the wide scatter of replies from individual companies in these two sectors makes interpretation somewhat difficult.

On profit margins, there is very little change as has broadly been the case for the past few months. The balance of expectations is still slightly in favour of an improvement in margins. Thus, the year-long decline in optimism about margins appears to have bottomed out, at any rate for the time being.

With turnover expected to go on rising, the balance of optimism on total earnings on capital employed is naturally rather larger than it is on margins, although the balance has been edging back slightly. Among last month's three sectors, the most hopeful on the score of earnings is the textiles and clothing group. The other two groups are more evenly split.

These surveys which are carried out for the Financial Times by the Taylor Nelson Group, are based upon detailed interviews with top executives about their companies' situation and prospects.

Three industries and some 30 companies are covered in turn every month from a sample based upon the F.T.-Actuaries index, which accounts for about 60 per cent. of the total turnover of all public industrial companies. The weighting is by market capitalisation.

The all-industry figures are four-monthly moving totals, covering some 120 companies in 11 industry groups (mechanical engineering is surveyed every second month).

GENERAL BUSINESS SITUATION

	4 Monthly moving total				November 1973		
Are you more or less optimistic about your company's prospects than you were four months ago?	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
More optimistic	34	37	46	47	16	4	60
Neutral	48	44	41	39	51	91	19
Less optimistic	18	19	13	14	33	5	21
No answer	—	—	—	—	—	—	—

EXPORT PROSPECTS

	4 Monthly moving total				November 1973		
Those who were:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
More optimistic	69	61	55	52	62	92	80
Neutral	18	23	27	26	18	—	—
Less optimistic	—	—	—	1	—	—	—
No answer	13	16	18	21	20	8	20

NEW ORDERS

	4 Monthly moving total				November 1973		
The trend of new orders in the last four months is:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Up	84	82	79	79	92	89	49
Same	8	9	11	10	4	11	49
Down	1	—	—	2	4	—	2
No answer	7	9	10	9	—	—	—

PRODUCTION/SALES TURNOVER

	4 Monthly moving total				November 1973		
Those expecting production/sales turnover in the next 12 months to:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Rise over 20%	21	22	19	14	31	4	9
Rise 15-19%	14	12	9	7	22	—	40
Rise 10-14%	29	29	28	22	18	4	20
Rise 5-9%	11	15	20	31	14	—	28
About the same	12	10	14	19	—	51	3
Fall	—	—	—	—	—	—	—
No comment	13	12	10	7	15	41	—

STOCKS

	4 Monthly moving total				November 1973		
Raw materials and components over the next 12 months will:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Increase	42	45	43	36	62	8	31
Stay about the same	48	43	46	47	4	91	59
Decrease	5	5	6	11	17	1	9
No comment	5	7	5	6	17	—	1
Manufactured goods over the next 12 months will:							
Increase	29	31	32	25	24	14	31
Stay about the same	26	30	35	47	44	4	51
Decrease	8	9	7	11	11	—	9
No comment	37	30	26	17	21	82	9

FACTORS CURRENTLY AFFECTING PRODUCTION

	4 Monthly moving total				November 1973		
Shortage of:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Home orders	20	22	26	30	31	5	40
Export orders	9	14	17	28	13	—	20
Executive staff	7	10	9	10	4	1	—
Skilled factory staff	53	42	36	30	68	5	88
Manual Labour	46	36	29	27	33	92	68
Components	30	27	21	17	19	—	49
Raw materials	43	46	40	42	34	1	60
Production capacity (plant)	32	35	37	20	11	41	1
Finance facilities	—	—	—	—	—	—	—
Others	2	1	4	12	18	4	—
Labour disputes	6	6	8	4	4	—	—
No answer no factor	9	12	17	17	—	—	1

LABOUR REQUIREMENTS

	4 Monthly moving total				November 1973		
Those expecting their labour force over the next 12 months to:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Increase	40	47	46	50	22	11	73
Stay about the same	42	39	37	40	68	42	27
Decrease	17	13	16	9	10	47	—
No comment	1	1	1	1	—	—	—

CAPITAL INVESTMENT

	4 Monthly moving total				November 1973		
Those expecting capital expenditure over the next 12 months to:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Increase	68	60	63	68	68	59	91
Stay about the same	19	18	19	14	10	41	—
Decrease	12	19	14	14	22	—	—
No comment	1	3	4	4	—	—	9

COSTS

	4 Monthly moving total				November 1973		
Wages rise by:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
0-4%	1	1	1	2	—	—	—
5-9%	45	46	53	64	55	45	60
10-14%	42	39	31	22	41	51	1
15-19%	3	3	3	—	4	—	—
20%	—	1	1	1	—	—	—
Same	—	—	—	—	—	—	—
Decrease	—	—	—	—	—	—	—
No answer	9	10	11	11	—	4	39
Total rise by:							
0-4%	10	8	8	14	2	41	—
5-9%	39	43	54	51	37	4	9
10-14%	24	25	19	17	24	1	9
15-19%	7	6	2	2	4	9	12
20%	8	4	4	2	—	41	40
Same	2	2	3	4	—	—	—
Decrease	2	3	2	1	—	—	—
No answer	8	9	8	9	33	4	30

PROFIT MARGINS

	4 Monthly moving total				November 1973		
Those expecting profit margins over the nxet 12 months to:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
Improve	26	25	21	22	11	4	49
Remain the same	55	58	59	61	70	54	20
Contract	17	16	17	15	8	42	31
No comment	2	1	3	2	11	—	—

APPOINTMENTS

Mr. Verey to head Accepting Houses Committee

Mr. M. J. Verey, chairman of Schroders, has been appointed chairman of the ACCEPTING HOUSES COMMITTEE from January 1.

Viscount Harcourt, who has held the position of chairman of the Committee for the past three years, will relinquish that office on December 31 when he retires from the chairmanship of Morgan Grenfell Holdings.

★

Mr. K. West has been appointed research and textile development director of ICI FIBRES from January 1. He succeeds Dr. R. M. Lodge who is retiring.

★

Mr. F. A. Rushton will be retiring from the Northern and Scottish Advisory Board of the LEGAL AND GENERAL ASSURANCE SOCIETY at the end of this year.

★

Mr. Frederick Goodrich has resigned from the Board of U.S. TRUST LONDON following his retirement from the United States Trust Company of New York.

★

Mr. G. L. Harper has been appointed deputy group marketing director (EEC) of GEO. BASSETT HOLDINGS.

★

Mr. K. P. Browne and Mr. A. F. Ivory have been appointed associate directors of NORTHERN COMMERCIAL TRUST.

★

Mr. D. G. Byron, company secretary and head of the legal department of J. LYONS AND CO., will be retiring on December 31. He will be succeeded by Mr. E. M. Asher.

★

Mr. J. D. Pettifer has been appointed chairman of HOWSON DEVITT (LIFE AND PENSION BROKERS), part of the Devitt Langton and Dawnay Day Group.

★

Mr. P. W. Barker and Mr. J. N. Green have been appointed to the Board of CHARLES WESTON AND CO. Mr. Barker and Mr. G. A. Hayhurst have joined the Board of MOTOR GEAR.

The appointments follow the decision of J. H. Fenner and Co. (Holdings) to acquire both companies.

★

Mr. *Jack Dawes, chairman of* Allied Colloids, has joined the Board of SUPRA CHEMICALS AND PAINTS as a non-executive director and Mr. John Wilkinson, managing director of John L. Wilkinson Motor Components, has been appointed an associate director.

★

Mr. Michael Stringer has been appointed deputy chairman of WADHAM STRINGER and continues as managing director.

★

Mr. John Large has been appointed managing director of BIRCHWOOD CONCRETE PRODUCTS and BIRCHWOOD CONCRETE (SCOTLAND), members of the Kier Group, in succession to Mr. S. Harvey, who has retired.

★

Mr. George Comnas, managing director of C. M. LEMOS AND CO. and a director of Centrum (Shipbrokers) is to resign from both companies on January 1.

★

Mr. Anthony Barrett will be appointed a local director of the London and North Western District of BARCLAYS BANK on December 17.

★

Mr. T. E. Nott-Bower has been appointed chief executive and director of WALFORD LINES following the retirement of Mr. A. G. Pugh.

★

Mr. Stephen Lotinga has been made a director of MOSS BROS.

★

Mr. Claude Birch has joined the Board of the BRITISH ROLL MAKERS CORPORATION as a non-executive director. He was previously an executive director of Guest Keen and Nettlefolds.

★

Mr. T. R. H. Savill has been appointed managing director of HOGG ROBINSON AND GARDNER MOUNTAIN (AUST.) PTY.

★

Mr. E. H. Dick will become financial director of EDGAR ALLEN FOUNDRY from January 1, and will relinquish on that date his present appointments within the group as director and secretary of Entwhistle (Oldham) and Sandiacre Screw Company.

★

Mr. John McDowell has retired as a director of the LOW AND BONAR GROUP. Mr. Andrew Scott has retired as group secretary and has been succeeded by Mr. David Reid.

★

The following appointments have been made within the construction equipment division of BABCOCK AND WILCOX. Mr. C. R. Wilson as director and general manager of Blaw Knox and Mr. R. C. Wragg as production director. Mr. B. G. Capon and Mr. R. M. Shaw as divisional directors of Blaw Knox with responsibility for home and export sales respectively. Mr. Hazlehurst becomes chief accountant and Mr. C. Pa secretary of Blaw Knox.

Mr. G. W. Rattray as spares and service director of the construction equipment division of Babcock and Wilcox. Mr. P. *Slade as financial controller and* secretary of Winget. Mr. L. Bates, Mr. R. A. Booth and Mr. H. Merton as divisional directors of Winget construction equipment division.

GENERAL APPOINTMENTS

THE JOBS COLUMN

One business expander, and three go-out-and-getters

BY MICHAEL DIXON

WE PRIMARILY want somebody to expand and diversify a fairly small concern whose roots are in the old Far East trade—metals, rubber and so on," says Rory Roper-Caldbeck.

The concern is Edward Boustead and Company which, with associates, forms the Boustead group. The company has only about 70 staff, but includes three trading divisions and four subsidiaries.

One division is an agency for Far East trading. The second is an agency for rubber and palm estates. The third is a Midland transport and warehousing operation.

The first subsidiary is Charles Davis, the metals broker. The second is Metal Supplies, an international agency specialising in "plumbing-type" metals. Third is National Scrap Metals, another international agency specialising in nickel, titanium, etc. The fourth is New York trading agent, Boustead Metals.

All these have their own chiefs. So while their management will be under the overall responsibility of the new managing director being sought by Edward Boustead, the emphasis of the MD's job will be on increasing the present business and adding further activities and acquisitions.

"We think these will probably be centred on metals, but not exclusively," says Mr. Roper-Caldbeck, a director (Wootton House, Wootton, Bedford MK43 9HG—where the MD will be based).

Candidates must be proven general managers—not essentially from metals—with experience of expanding business operations and of running them successfully as they grow. Age 38-50.

Salary £8,000-£12,000. Profit incentive possible. Car (or bicycle, if preferred). Contributory pension. Help with removal. Month's holiday.

"We've had our ups and downs, but all the parts of the company are in a profit-making position," Rory Roper-Caldbeck says.

Key trio for Hill Samuel

BRIAN QUICK, director of international commercial banking at Hill Samuel, is looking for three regional executive managers. The "regions," however, will be rather larger than the word implies. One is likely to consist of the Americas, and each of the others of a large chunk of Europe.

"There's so much competition in banking now," Mr. Quick says, "that you can't just sit and wait. You have to go and look for projects—a country might need an oil refinery, say—and bring together the people to carry out the project, and lead them into the lending situation."

The three recruits will have a key part in this activity—after first thoroughly acquainting themselves with the "who does what" of Hill Samuel, and with the "what goes on" of their respective regions.

The job is basically to analyse, identify and sell promising opportunities. Each of the trio will head a team of four or five anlysts, and be responsible to Mr. Quick. The trio will travel from their London base, of course, but won't be overseas for more than four months in a year.

Candidates must have learned the business of lending the hard way, and have gained considerable power of decision in their own right. Ability to deal with top-level people and a liking for "noseying round" are also needed. Age 30-40.

Salary £8,000-£10,000. Help with removal and mortgage. Non-contributory pension. Four weeks holidays. Applications to Derek Gosheron, personnel manager (100 Wood Street, London, EC2P 2AJ—tel. 01-628 8011).

To direct manufacture

"WELL, if you forget that the delivery period of brass has gone up to 28 months and for some of the steels we use to nine months or a year, and that skilled labour is very hard to get, I suppose we can't complain. We're doing better than could be expected."

So speaks Russell Bracegirdle, a director of Fletcher Sutcliffe Wild, the Booker McConnell subsidiary which manufactures systems and equipment for bulk handling of materials and for mining.

FSW wants a manufacturing director to take company Board responsibility under the managing director for all aspects of production. Based at Horbury—FSW's main works, near Wakefield—the newcomer will also look after plants at Aycliffe, Ossett and Doncaster, with a total of about 1,300 employees. Extra capacity is due at Flanshawe (near the base) next year.

Production ranges from mixed batches to large capital goods.

"We want someone who has taken in the full range of production activities in manufacturing, and has gone up through line management to at least the head of a big works," says Mr. Bracegirdle (Universal Works, Horbury, Wakefield, Yorks WF4 5HR).

Mechanical or production engineering qualification wanted. Age 35-50.

Salary about £7,000. Car. Contributory pension. Help with removal. Holiday five weeks plus statutory days.

Director pair for Sidlaw

PRODUCTION will also be the responsibility of one of the two directors being sought for the £20m.-plus turnover textiles division of Sidlaw Industries. The division is now being assembled from the Sidlaw group's variety of textile interests which are mostly in Scotland, but include a man-made fibre spinning concern in Yorkshire.

The other recruit will be the marketing director.

Both will be responsible to Sidlaw Textiles' managing director Michael Walker, and will be based at Dundee.

The production director will have total charge of spinning of jute and flax, and of the making and finishing of fabrics. Candidates need to be engineering-based managers with practical experience, and latterly overall responsibility right across a large manufacturing operation. They should already be earning £6,000 or so, and if they are already textile folk, so much the better.

The other director will be in charge of longish-range planning and all other aspects of marketing and selling. While Sidlaw Textiles' main market is the carpet trade, it is moving increasingly into furnishing fabrics.

The prime need for this job is a successful marketing record—which has led to marketing manager rank—in industry. Experience in textiles much preferred.

Age for both jobs 35-50. Salaries around £7,500. Cars. Help with removal. Contributory pensions. Holidays four weeks plus. Applications to MD/3434/TG, Urwick Orr and Partners (2 The Grove, Slough SL1 1QP).

Sidlaw's group pre-tax profit for the half to March 31 was £481,000 (£196,000).

Personnel in Manchester

PIELSTICK medium-speed diesel engines were originally developed for German pocket battleships and U-boats. After 1945 the French took them up, and are now doing nicely out of licensing their manufacture abroad for ferries, container ships and suchlike.

Crossley-Premier Engines is making them in Manchester. And Stanley Cox, director of this subsidiary of Amalgamated Power Engineering, wants a chief personnel officer for his 700-employee, shop-floor and staff "unionised" company.

Industrial relations will be the main task, and there will initially be two people to help with other aspects including training, recruitment, and safety.

"Experience of IR and personnel work at a minimum of assistant manager level is vital, but I want someone who also knows what goes on in engineering," says Mr. Cox (PO Box No. 1, Pottery Lane, Manchester M11 2DP—tel. 061-223-1353). Age 35-50.

Salary about £4,000. Help with removal. Contributory pension. Holidays about four weeks.

APE's group pre-tax profit for the half to June 30 was £1.24m. on sales of £12.75m. (0.98m. on £12.14m.).

Solidarity begins at home

"Students and workers face a common enemy in their attempts to resist cutbacks in their living standards and Conference believes that their fight must be united by effectively aiding workers' struggles . . ."—*part of motion put before National Union of Students Conference a few days ago.*

"St. Peter's College, Oxford, require a Staircase Scout for cleaning students' rooms. Waiting experience essential. Good conditions: 5½ day week . . ." *advertisement this week.*

BANKING AND INSURANCE APPOINTMENTS

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
15J	15D	Conv 5¼pc 1974	96¼xd	6.11	5.43	11.78
10M	10S	Treasury 5½pc 1974	95¼	6.8	5.76	11.70
11J	11D	Treasury 6¾pc 1974	95½xd	12.11	7.07	11.69
15F	15A	Treasury 6pc 1975	93⅜	25.6	6.42	12.29
—		Treas 8pc '75	94⅜	12.11	8.47	12.37
15F	15A	Savings 3pc '65-75	89⅛	9.7	3.38	9.80
1M	1S	Exch.6½pc 1976	88⅝	26.7	7.33	12.45
15F	15A	Treasury 6½pc 1976	86⅝	9.7	7.50	12.45
1M	1S	Victory 4pc 1976	95	26.7	4.21	8.84
—		Treasury 10½pc 1976●	95xd	12.11	11.09	12.54
10M	10S	Treasury 6¼pc 1977	84	6.8	7.44	12.34
15M	15S	Electric 3pc '74-77	83¼	9.9	3.61	9.06
20J	20D	Transport 4pc '72-77	79¼xd	12.11	5.05	10.42
15M	15S	Treasury 9pc 1978	87½	9.8	10.23	12.73
26M	26S	Exchequer 5pc '76-78	77	22.8	6.49	11.31
Five to Fifteen Years						
17M	17S	Treasury 3pc 1979●	67⅞	15.8	4.46	10.74
26M	26S	Electric 4¼pc '74-79	72⅝	20.6	5.92	10.98
15M	15N	Do 3½pc '76-79	68⅝	1.10	5.13	10.90
3M	3S	Treasury 9pc 1980●	87½	30.7	10.59	12.52
15J	15D	Treasury 3½pc '77-80	66¼xd	12.11	5.23	10.68
15J	15D	Funding 5¼pc '78-80	71¼xd	12.11	7.34	11.62
15F	15A	Treasury 3½pc '79-81	65¼	9.7	5.45	10.76
15J	15J	Do 8¾pc '80-82	83⅞	8.6	10.54	12.34
15J	15J	Funding 5½pc '82-84	68¼	8.6	8.25	11.05
10J	10J	Treasury 8½pc '84-86	80⅞	4.6	10.96	12.00
1M	1N	Funding 6½pc '85-87	65⅝	25.9	9.97	11.73
28J	28J	Treasury 7¾pc '85-88	73	15.10	11.01	12.20
1J	1J	Transport 3pc '78-88	44xd	26.11	6.77	10.60
Over Fifteen Years						
15A	15O	Treasury 5pc '86-89	54⅛	10.9	9.34	11.41
15J	15D	Treasury 8¼pc '87-90	72xd	26.11	11.40	12.19
5A	5O	Funding 5¾pc '87-91	57⅜	3.9	10.08	11.54
15M	15S	Funding 6pc 1993	57½	9.9	10.65	11.73
17M	17N	Treasury 9pc '94	76¼	1.10	11.85	12.22
1M	1N	Gas 3pc '90-95	36¾	25.9	8.20	10.51
15M	15S	Treasury 9pc '92-96	77¼	9.8	11.94	12.25
1A	1O	Redp. 3pc '86-96	41¼	28.8	7.35	9.30
1M	1S	Treasury 8¾pc 1997	75	26.7	12.00	12.30
1M	1N	Treasury 6¾pc '95-98	59¼	15.10	11.49	12.03
15J	15J	Treasury 9½pc 1999●	81⅞	8.6	12.13	12.31
14J	14J	Funding 3½pc '99-04	35⅛	7.6	10.36	11.18
5A	5O	Treasury 8pc '02-06	£67⅞	1.10	12.13	12.27
10M	10S	Treasury 5½pc '08-12	47¾	6.8	11.82	11.98
26J	26J	Treasury 7¾pc '12-15	65⅞	19.6	12.26	12.32
Undated						
1F	1A	Consols 4pc	33½	25.6	12.45	—
1J	1D	War Loan 3½pc	28⅝xd	26.11	12.23	—
1A	1O	Conv. 3½pc '61 Aft.	29	28.8	12.33	—
5A	5O	Treasury 3pc '66 Aft.	24⅝	1.10	12.43	—
J.A.J.O.		Consols 2½pc	20⅝	3.9	12.36	—
1A	1O	Treasury 2½pc	20⅝	26.8	12.38	—

●"Tap" Stocks

INTERNATIONAL BANK

15A.	15O.	3½pc Stock '69-74	92¼	14.9	3.79	3.06
15F.	15A.	5pc Stock '77-82	63¼	13.7	8.07	12.24
31J.	31J.	8pc Stock 1976	90	29.6	8.89	12.48

CORPORATION LOANS

4M	4N	Belfast 6pc '73-75	87½	1.10	6.86	16.11
1F	1A	Bristol 6½pc '75-77	81	16.7	8.04	14.08
30J	31D	Essex 5½pc '75-77	76¼	1.6	7.22	14.15
11F	11A	G.L.C. 6¾pc 1976	83¾	11.7	8.07	14.16
15A	15F	Do 7¼pc 1977	81	16.7	8.97	13.95
22M	22N	Herts. 5¼pc '78-80	66	22.10	7.95	13.25
15M	15S	Liverpool 5½pc '71-73	86½	15.8	6.37	14.22
15M	15N	Do. 9¾pc '80-84	86½	15.10	11.33	12.12
J.A.J.O.		Do 3½pc Irred.	27½	3.9	12.96	—
10F	10A	Lon Corp. 6½pc '75-78	76	10.7	8.56	13.55
3F	8A	L.C.C. 6pc '75-78	75¼	9.7	7.92	13.77
15M	15S	Do 5½pc '77-81	65¼	15.8	8.54	12.92
5A	5O	Do 5pc '80-83	59½	15.10	8.44	12.63
15J	15J	Do 5½pc '82-84	61	15.6	9.29	12.61
11J	11D	Do 5¼pc '85-87	54¼xd	12.11	9.98	12.48
10J	10J	Do 6¾pc '88-90	63½	11.6	11.08	12.33
M.J.S.D		Do 3pc '20 Aft	23½	1.11	12.75	—
1A	1O	Manch. 5¼pc '74-75	85½	27.9	6.14	14.46
1J	1D	Midds. 6¼pc '75-77	76¾	1.11	8.15	14.03
15M	15S	Do 5¼pc 1980	67¼	15.8	7.86	13.20
1F	1A	Newcastle 6pc '73-78	85	29.6	7.07	14.19
1A	1O	West Rid'g 5¾pc 1975	86½	31.8	6.65	14.31

COMMONWEALTH & AFRICAN LOANS

15A	15O	Aust 2½pc '70-75	88	15.10	2.85	12.46
15A	15O	Do 6pc '74-76	83⅞	14.9	7.22	13.20
1J	1J	Do. 5¾pc '77-80	71¼	31.5	7.96	13.02
1A	1O	Do. 5½pc '81-82	64¼	31.8	8.65	12.75
16J	16S	Ceylon 4pc '73-75	88½	16.8	4.56	14.72
15J	15D	East Afr. 5¾pc '77-83	60½	15.11	9.48	13.16
1M	1S	Jamaica 7pc '74-78	78⅞	1.8	9.11	13.83
15F	15A	Kenya 5pc '78-82	60⅞	13.7	8.41	13.36
12J	11D	N.Z. 4pc 1976-76	67¼xd	12.11	5.89	12.86
28F	28A	Do 6pc '76-80	72	30.7	8.50	13.02
15J	15J	Nth. Rhd. 6pc '72-81	71½	15.6	8.63	12.65
15J	15J	Nyasa 6pc '78-81	69½	15.6	8.89	13.21
1J	1J	Sth. Afr. 5½% '74-76	82⅞xd	27.11	6.61	13.40
1M	1N	Do. 9½% '79-81	87¼	15.10	10.92	12.08
1A	1O	Sth. Rhod. 2½pc '65-70	27	3.66	—	—
7F	7A	Do 4½pc '87-92	23	1.66	—	—

[illegible]

PUBLIC BOARD AND OTHER LOANS

[illegible]

FOREIGN BONDS AND RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 24½% (based on $2.3440 per £)

CANADIANS

[illegible]						
Mr.Je.S.D.	Int. Nickel	17¼	21.11	$1.0	—	2.4
Mr.Je.S.D.	Massey Ferg.	10½	15.11	60c	—	2.6
—	Nordex	75p	—	—	—	—
December	Pacific Pet. $1	18½	16.11	50c	—	1.1
—	Peoples Dpt.$	520p	12.9	10c	—	0.8
— —	Place Gas $1	27p	14.12	—	—	—
June Dec	Rio Algom	18	5.9	40c	—	0.9
M.Je.S.D.	Royal Bk Can $2	19½	1.11	$1.04	†—	2.2
F.My.Au.N	Tor Dom Bk $2	18⅞	1.10	$1.04	†—	2.3
J.Ap.Jy.O	TransCan Pipe $1	17¼	26.9	$1	—	2.3
Mar. Sept.	White Pass	480p	29.8	35c	—	3.0

S.E. List Premium 24½% (based on $2.3440 per £)

"Recent Issues" and "Rights" Page 25

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £250 per annum for each security.

For Notes, see page 27

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS, ETC.

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING AND METAL

[illegible]

ENGINEERING AND METAL—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS—(Miscell.)

[illegible]

INDUSTRIALS—Continued

Dividends Paid	Stock	Price	Last xd	Net Div.	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE

MACHINE TOOLS

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Continued

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OILS—Continued

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TINS

COPPER

MISCELLANEOUS

Lombard

Warriors that died from misuse

BY C. GORDON TETHER

AS WAS bound to happen if it went on long enough, the miners' dispute has now entered the phase wherein those ancient defenders of good causes—patriotic duty and public opinion—are being brought into play. And this is *the moment*, accordingly, at which the painful discovery is made that these old campaigners are not what they used to be.

It is when we find, indeed, that their fire-power has been severely and, in all probability, permanently impaired by years of misuse and abuse — years during which they have been blatantly exploited when it suited the official purpose to do so and completely disregarded when their presence on the scene would have been inconvenient.

That the miners' behaviour *involves "a clash with the whole* nation" has now become the main theme of Ministerial pronouncements on the coal crisis. And the Press, for its part, has concentrated on enunciating the proposition that, in the last resort, it will not be appropriate or practicable for the miners to disregard public opinion and that, as this is certain to come down on the Government's side in the end, they would do well to stop being awkward now.

Bad example

Time was when an appeal to patriotism could count upon evoking a full-hearted response even from such a hard-bitten section of the work-force as the miners. And, up to a comparatively short time back, the persuasive power of public opinion could usually be relied upon to do its stuff when all else failed. If this is, regettably, no longer so to-day, the reasons are not far to seek.

When it comes to respecting public opinion, what kind of *example* has the *Government* itself been setting these past few years? What did it do about the strong feeling the public was manifesting at the last General Election that there should be an immediate and meaningful attack on the inflation problem? *It decided to transfer control* over the determination of wages to trade unions and employers "where it belonged"—and so set the scene for the great wages explosion that has landed us with an acute and seemingly almost incurable inflation problem.

Again, how has it reacted to the country-wide concern to see a halt to the massive switch of wealth from poor to rich mirrored in the juxtaposition of a rapid erosion of the savings of the less well-off and the sensational increase in the assets of the property-owning class. The answer is: by doing nothing.

And hasn't public opinion been treated in an extremely offhand manner in relation to the entry into Europe issue from first to last?

Given such an official record, the miners will not find it difficult to persuade themselves that they are in good company if they affront public opinion. And what of the public itself? "The country must make up its mind about Phase Three," said the Prime Minister last week, indicating that it is now up to the public to see that everyone toes *the line*.

Yet ordinary people took no part in shaping the prices and incomes policy and, according to the opinion polls, do not believe the official scheme is either fair or practicable. So this is pressurising them to accept responsibility without power.

If, moreover, they know full well that the Government has totally closed its eyes to public opinion whenever it was apt to stand in its way they can hardly be blamed for wanting to "contract out" now.

Patriotism

As to patriotism, no one should be surprised—and least of all Tory Ministers—that it is looking very much the worse for wear as a result of the hammering it has taken at the hands of the *Europeanisation* campaign during the past two years. How, after all, can one expect people to accept that they have a patriotic duty to make sacrifices in their country's cause when they are also being told that, within a few years—if all goes according to plan—it will have become the province of a European empire, ruled from a foreign city and with less scope for showing individuality and running its own show than a British county enjoys to-day.

Our rulers cannot have it both ways. . . . If they want to persuade the British public that it must be prepared to develop new loyalties and new "patriotisms" they must expect the old one—and the love of country associated with them—to fade away. And, as Byron wrote, he who loves not his country, loves nothing.

THE LEX COLUMN

One definition of quality growth

Earnings performance is irrelevant, projections carry little weight in the market, anomalies are seen but not corrected. But while one end of the market is staggering from one disaster—real or rumoured—to the next, the major investing institutions still have their job to do. One part of that job is deciding what equities to back; they can't go 100 per cent. liquid, and in this market deciding which equity to *hang on to is as important as* buying in a more favourable climate.

It is sometimes worth looking outside your own market for ideas; and it could be that the U.S. mutual fund scene offers food for thought. The herd principle in investment management applied all too unhappily this year when U.S. "high-fliers," after a period of sustained strength against the rest of the market, came crashing down. Recent Lipper mutual fund investment performance indices showed all funds down 21.06 per cent. in the year to November 21 (and "growth" funds down 26.04 per cent.) against a 15.49 per cent. decline in the Standard and Poors 500.

Observers have been detecting a backlash, disillusionment with fundamental arithmetical analysis, a return to old-fashioned ideas like buying into a restricted number of quality growth situations, and then just sitting on them. The former gunslingers have an example to follow in the Chemical Fund. Chemical describes itself as conservative and its age (*established 1938*) and size (*-982m.* of net assets last September) seem to fit the bill. But it also ranks very high in a recent Forbes' "Honor roll" of top performing investment funds, showing a 12.7 per cent. 11-year compound annual growth rate; this year it has out-performed the Standard and Poors 425 index both before and since its September quarterly report.

Chemical's management emphasises its low portfolio turnover ratio, which over the past decade probably runs at around 10 per cent. a year. Its 25 largest holdings make up around 53 per cent. of assets; they have been held for an average of 14 years; they are still standing on an average p/e of about 22, against maybe 12 for the rest of the portfolio, and their growth rate over the past decade has been around 16 per cent. per annum.

The Fund's investment management sticks to a rigid definition of quality growth. Its criteria includes research content, financial condition, low labour costs, strong marketing and market share; the aim is to get into this sort of stock while it is still young, and run the holding as long as the earnings outlook is favourable.

Lately it has seen two major differences between its own *approach and that of a typical* European fund manager. Chemical's concentration on its own market contrasts with the international switching ambitions which are popular here—even laudable, but unfortunately not successful this year with many major international markets hitting new lows only last week. Other definitions of quality growth are less rigid than Chemical's—like the man who saw A. T. and T. as a quality growth stock at $48 but not at $75. Chemical's rejoinder was that it saw A. T. and T. as a quality company but not as a growth stock. Conversely there are growth stocks—Levitz and Disney among them—which fall outside Chemical's criteria—simply because it sees a limited time horizon for current rates of growth. In short, you need more than a good story, being unable to see the end of it is far more important.

Allied v. Heineken

One brewery, you might suppose, is much like another, and certainly there is rarely much daylight between the ratings of the U.K. majors. Different stock markets, however, can play the game according to very different rules. Take Heineken, for instance, which even after last Friday's 5 per cent. price dive to *Fl.236.8 is selling at close to* 20 times likely 1972-73 earnings. Now look at our own Allied Breweries, which incidentally has a fifth of the Dutch beer market, limping along at maybe 12 times earnings for the same year to September 30. Just to make it easy, brokers Grieveson Grant have combined with F. van Lanschot in Amsterdam to produce a joint study. It rates Allied a buy, and although Heineken emerges as no worse than a hold, you do not have to read between too many lines to realise that Grieveson, at any rate, are hoping to prompt Continental institutions *into* a switch.

In the short run oil supply problems look more serious for Heineken in a Holland committed to petrol rationing. However, Heineken's glamour rating is based pretty firmly on average earnings growth of 23 per cent. compound per share over the past decade, against which Allied can only muster 6 per cent. or so. Dutch beer consumption has been growing at around 8 per cent. a year, and Heineken has a large export and licensing business, apparently much more rewarding than has been Allied's parallel Skol business. Yet Allied's more recent earnings growth has proved better matched with that of its Dutch rival, while currency movements have not been in Heineken's favour lately.

There are technical problems to the comparison; Heineken is a practitioner of replacement cost depreciation, so its price/cash flow ratio of around 10½ is not so far adrift of Allied's 8½. On the other hand, the greater financial gearing and property content of the British group argues that it might not come too badly out of full-scale inflation accounting. The drawback for Allied is its dependence to the extent of probably 95 per cent. of profits on the relatively sluggish U.K. market, though its unwillingness to be lured into further European breweries is a bull point (with a 2 per cent. return, *before* financing costs, Allied is happy to leave Germany to Watney). All in all, Grieveson's case is appealing, but they have to convince the Dutchmen, who may be biased.

Weather

U.K. TO-DAY

ENGLAND, Wales and N. Ireland will be generally cloudy and dull with rain and drizzle chiefly in Eastern areas spreading southwards from Scotland. It will be much less cold. N. Scotland will have showers and bright spells.

S. England, London, E. Anglia, Wales, the Midlands, N. Ireland, S.W. Scotland and Glasgow, N.W. and central N. England

Cloudy and mainly dry with light or moderate West wind. Max. temp. 8C (46F).

S.W. England, Channel Islands

Cloudy and mainly dry. Light to moderate N.W. wind. Max. temp. 9C (48F).

N.E. England, Borders, E. Scotland, N.W. Scotland, Central Highlands, Moray Firth

Cloudy but mainly dry with sunny intervals developing. Moderate to fresh W. to N.W. wind. Max. temp. 7C (45F).

Caithness, Orkney, Shetland

Rain at first becoming bright. Moderate to fresh NW wind. Max. temp. 7C (45F).

Outlook: Cloudy with some rain, becoming colder with night frost and snow in the North.

Lighting-up: London 16.[illegible] Manchester 16.23, Glasgow, 16.[illegible] Belfast 16.32.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	C	22	72	Madrid	S	[illegible]	[illegible]
Amstrdm.	F	−4	25	Mnchester.	C	−1	[illegible]
Athens	C	12	54	Melbourne	C	[illegible]	[illegible]
Bahrain	S	22	71	Mexico C.	S	[illegible]	[illegible]
Beirut	F	19	66	Milan	C	1	[illegible]
Belfast	C	1	34	Montreal	S	−3	[illegible]
Belgrade	C	−9	16	Moscow	Sn	−11	[illegible]
Berlin	Sn	−6	21	Munich	S	−12	[illegible]
Birmghm.	C	1	34	Newcastle	C	1	[illegible]
Bristol	C	0	32	New York	S	[illegible]	[illegible]
Brussels	Fg	−7	19	Oslo	C	[illegible]	[illegible]
Budapest	S	−4	25	Paris	S	[illegible]	[illegible]
B. Aires	S	23	74	Perth	S	[illegible]	[illegible]
Cairo	S	21	69	Prague	S	−7	[illegible]
Cardiff	C	2	36	Reykjavik	C	[illegible]	[illegible]
Cologne	C	−7	19	Rio de J'o	S	[illegible]	[illegible]
Copnhagn.	C	−2	28	Rome	R	[illegible]	[illegible]
Dublin	C	2	35	Singapore	C	[illegible]	[illegible]
Edinb'rgh	C	2	36	Stockholm	C	−3	[illegible]
Frankfurt	S	−6	21	Strasbourg	S	[illegible]	[illegible]
Geneva	S	−6	21	Sydney	S	[illegible]	[illegible]
Glasgow	C	2	36	Tehran	S	[illegible]	[illegible]
Helsinki	F	−14	7	Tel Aviv	C	[illegible]	[illegible]
H. Kong	S	21	69	Tokyo	C	7	[illegible]
Jo'burg	C	17	62	Toronto	S	2	[illegible]
Lisbon	C	16	61	Vienna	C	[illegible]	[illegible]
London	F	3	37	Warsaw	S	−10	[illegible]
Luxembg.	S	−6	21	Zurich	S	−10	[illegible]

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	R	6	43	Istanbul	R	[illegible]	[illegible]
Algiers	C	18	64	Jersey	F	[illegible]	[illegible]
Barcelona	C	5	41	Las Plms.	C	[illegible]	[illegible]
Biarritz	S	3	37	Locarno	F	1	[illegible]
Blackpool	C	3	37	Luxor	C	[illegible]	[illegible]
Bordeaux	S	0	32	Majorca	C	9	[illegible]
Boulogne	C	0	32	Malaga	F	16	[illegible]
Casablanca	C	18	64	Malta	S	17	[illegible]
Cape T.	C	26	79	Nairobi	S	21	[illegible]
Corfu	C	9	48	Naples	R	4	[illegible]
Dubrovnik	C	1	34	Nice	F	[illegible]	[illegible]
Faro	R	15	59	Oporto	S	14	[illegible]
Florence	C	3	37	Rhodes	C	18	[illegible]
Funchal	C	18	64	Salzburg	S	−11	[illegible]
Gibralta	F	17	63	Tangier	C	17	[illegible]
Guernsey	S	4	39	Tenerife	C	15	[illegible]
Innsbruck	C	−9	16	Tunis	F	[illegible]	[illegible]
Inverness	C	4	39	Valencia	R	[illegible]	[illegible]
I. of Man	C	5	41	Venice	S	[illegible]	[illegible]

S—Sunny. C—Cloudy. F—Fair. R—Rain. Fg—Fog. Sn—Snow.

Dublin Cabinet prepares for tripartite talks

BY DOMINICK J. COYLE DUBLIN, Dec. 2.

A COMPLEX constitutional, political, economic and administrative package could be negotiated at this week's tripartite talks on Ulster, on the basis of a degree of formal recognition by the Dublin Government of the present constitutional status of Northern Ireland in exchange for agreement by Ulster Unionists to the early establishment of a Council of All-Ireland.

The proposed council, which would have an independent secretariat and probably be located in Armagh, the ancient all-Ireland capital, is intended to act as a political link between the Dublin Government and the new power-sharing Executive in Belfast.

Its formation would, inevitably, be viewed by extreme Loyalist groups in Ulster as a first step towards Irish unity.

The council, which would be financed initially by the British and Irish Governments, is expected to have some executive function from the start, but any decisions to be implemented on both sides of the border would have to be unanimous and might require ratification by the Northern Assembly in Belfast and the Dail (Parliament) here.

It is envisaged that the council *would operate on two levels, with* an equal number of Dublin Ministers and members of the Northern Ireland Executive forming a decision-making body, but with a consultative group representing parties in the Dail and the new Northern Assembly. There would be no direct British Government or Parliamentary membership, but provision would be made for British involvement in such questions as security and finance.

The idea of a Council of All-*Ireland has already* been agreed in principle by the British and Irish Governments and the three Northern parties forming the Executive-designate.

What have yet to be agreed are details of scope and functioning.

Crucial

The Dublin Government and the Social Democratic and Labour Party in Northern Ireland want the council to have "meaningful" responsibilities not only in such relatively uncontentious spheres as economic and social co-operation, but also in some aspects of security now reserved to the British Government.

Pledged Unionists under Mr. Brian Faulkner, the former Ulster Prime Minister, are enter*ing the talks expecting that they* will be able to exclude from the council's mandate anything to do with security and, in particular, with the structure and ultimate political control of the Royal Ulster Constabulary.

This question of security and policing is certain to be a crucial issue at the talks, which are due to open on Thursday morning in Berkshire and will involve senior British and Irish Ministers and members of the Northern Ireland Executive-designate.

The Dublin Government has already sent Whitehall details of its proposal for a common law enforcement area, covering both parts of Ireland.

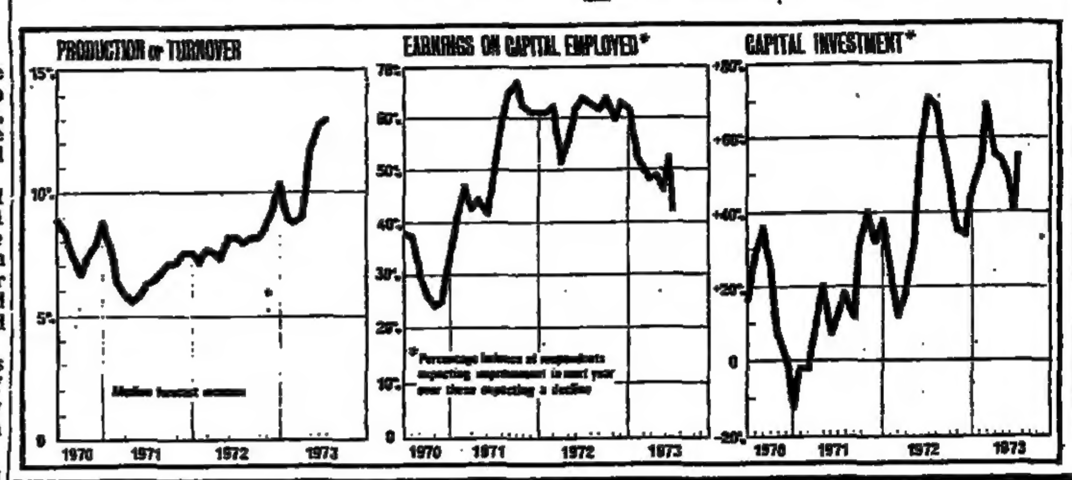
Mr. Liam Cosgrave, the Irish Prime Minister, will lead an eight-man ministerial team from Dublin to the Berkshire conference. The meeting will take place in the same week, 52 years later, as the signing of the Anglo-Irish treaty under which Dublin accepted the partition settlement.

A Cabinet meeting to complete plans for the talks is expected *to take place* here either tomorrow or on Tuesday. The Government is also in touch with the SDLP in the North in an effort to agree on a united front for negotiations which are seen here as the most important since the state was established.

SDLP Conference, Page 29

FT Monthly Survey of Business Opinion

Oil cuts hit optimism



EARNINGS ON CAPITAL

Those expecting earnings during current year to:	Aug.-Nov. %	July-Oct. %	June-Sept. %	May-Aug. %	Construction & Bldg. %	Food & Tobacco %	Textiles & Clothing %
	4 Monthly moving total				November 1973		
Improve	59	62	55	58	46	41	60
Remain the same	20	24	30	30	10	8	9
Contract	17	9	9	9	42	51	20
No comment	4	5	6	3	2	—	11

THE MIDDLE EAST oil embargo, the latest trade figures and the latest rise in interest rates — plus inflation and shortages of labour and materials — have dampened industry's optimism.

This is evident among companies interviewed or re-interviewed in the last two weeks for the latest Financial Times monthly business opinion survey. There was a noticeable tendency for businessmen to take a less buoyant view of the likely future trend of orders and output.

But the current pace of activity remains at a high level, with orders and deliveries both tending to increase.

Export prospects are also widely considered to be excellent, with optimism rising in all three sectors covered last month. These were building and construction, including the building materials producers, food and tobacco, and textiles and clothing.

In the construction sector, this has to be set against the downturn in housebuilding and uncertainties about the future level of public works programme.

Shortages of materials, manpower, and plant capacity are as widespread as ever. But forecasts of future manpower needs are tending to ease. To some extent this reflects what industry expects to happen because of the pay code and recruiting difficulties, rather than what it would like to see happen.

Investment intentions are still rising. But it is too soon for capital spending plans to have been fully reassessed in the light of the oil shortage and other recent developments.

Industry does not expect to see the rate of inflation checked. The median forecasts for wage and total unit costs and for output prices over the coming year remain at around the 8-9 per cent. mark.

The impact of higher materials prices is thought likely to remain fairly severe in the food/tobacco and textile/clothing sectors. But the pressure on margins is expected to ease.

The year-long decline in expectations on margins appears to have bottomed out, with industry still on balance looking for a modest improvement. In the case of earnings on capital employed, the balance of optimism is greater, thanks to hopes of a further rise in turnover.

Details Page 32

DISPUTE STOPS SUNDAY PAPER

The Birmingham-based Sunday Mercury newspaper did not come out yesterday because of a printing dispute over a pay deal. A representative of Natsopa, the printing union, said that when the management insisted that a 48-page newspaper be printed, the publishing room workers walked out.

Statement on London and County expected to-day

BY MARGARET REID

A STATEMENT IS expected to-day following urgent and secret week-end *discussions* about the problems of London and County Securities between directors of the troubled banking and finance group and four major concerns which are investigating ways of aiding it.

Indications late last night were *that the investigations into* the company's position were largely complete and that the stage had been reached of seeing whether the parties concerned could be brought into line in agreeing a course of action.

To-day's statement will follow the intensive week-end talks between L and C and three institutions — National Westminster Bank, merchant bank Keyser Ullmann and Eagle Star Insurance — and UDS Group which, like Eagle Star, is a large shareholder in L and C.

Attention to the valuations to *be placed on* L and C's assets is thought to have been a major aspect of the long talks, which *continued* yesterday at the London headquarters of the group, whose chairman, Mr. Gerald Caplan, was present. Mr. Jeremy Thorpe, the Liberal leader, is a non-executive *director*.

A brief announcement that the Eagle Star, National Westminster and UDS were "holding talks with a view to seeking means of securing the viability of the "London and County company and the *security* of its depositors" came on Friday morning. It followed a steep slide in the group's share price over the previous days.

After the announcement, the price, which had rallied early on Friday to 80p, dropped heavily to 40p, at which level the quotation was suspended by the Stock Exchange. The price then showed a fall of almost 100p over the preceeding week.

The National Westminster Bank and Keyser Ullman were also stated in Friday's announcement to have "arranged to provide expert assistance to supplement the existing management of the company where necessary."

L and C has £15m. on deposit from "small" customers, and another £65m. or so in deposits from institutional customers. Queues were reported on Saturday at the bank which L and C has at Whiteley's store in Queensway, and at some others among about 20 "money shops" the group runs in stores throughout Britain, but business was said to be continuing at them normally.

Mr. Thorpe, in Dundee over the week-end, said when asked about London and County Securities: "I do not think I have anything more that I can say. A very clear statement was put out by the consortium of four."

He added that talks were continuing to ensure the viability of the bank and the security of the shareholders. He did not think it helped in the present situation to have a running commentary while talks—in which he had been involved—continued.

Mr. Thorpe said things were moving favourably. He had been in touch with London and his information was that there had been no great withdrawals and any drawings were being honoured.

A number of troubles had built up around L and C earlier *this year before the decline in* the share price.

Then, last week, sentiment was further upset when it was disclosed that Mr. Donald Bardsley, a former Hill Samuel banker who had joined the group to head its banking operations, had resigned from the L and C Board.

The share price decline gathered pace and last week lowered the L and C price to a fraction of its 1973 peak level. Earlier this year it stood at 305p.

A spokesman for the Stock Exchange said last night that as of Friday afternoon there had been no request for an investigation into dealings in the shares.

Men and Matters Page 14

Disquiet in Ulster over moves

IN BELFAST last night politicians were expressing disquiet at the news that Mr. Whitelaw is to be transferred from the Northern Ireland office at this delicate stage in the negotiations over the future of the Province, *writes Rhys David.*

Mr. Brian Faulkner, the Unionist leader and Chief Executive designate, who appealed at the Conservative Party conference in September for Mr. Whitelaw to be allowed to see the job through described the move as very unfortunate.

So, too, did Mr. Gerry Fitt, leader of the Social Democratic and Labour Party. Mr. William Craig, the Vanguard leader, said the reshuffle was a matter of indifference to him.

IN DUBLIN Mr. Liam Cosgrave, the Prime Minister, and Mr. Jack Lynch, Leader of the Opposition, each paid warm tributes to Mr. Whitelaw's "patience and dedication" in securing agreement in Belfast on the Northern Ireland Executive, *writes Dominick J. Coyle.*

Mr. Pym is almost completely unknown here, and indeed it was only in the last few days that his name first appeared in print amid a further round of speculation, that Mr. Whitelaw was about to be replaced in Belfast.

The Dublin Government would certainly have preferred that Mr. Whitelaw be kept on in Northern Ireland until the anticipated Executive/Council of all Ireland settlement package had been secured, and had begun firmly to take root in Ulster.

'Support for impeachment'

BY ADRIAN DICKS WASHINGTON, Dec. 2.

A MAJORITY of members of the House of Representatives' judiciary committee are prepared to vote *for* President Nixon's impeachment *if* they have evidence of "serious misconduct"—even if this falls short of proof that the President has broken the law, the New York Times reported to-day.

The committee has begun to turn back its attention to the impeachment question, now that its other main task, vetting Mr. Gerald Ford is complete.

The House is expected to approve Mr. Ford's nomination overwhelmingly on Thursday. Since the Senate has already approved him the way will then be open for the new Vice-President to be sworn in.

One obstacle to the removal of Mr. Nixon from office—the absence of a Republican Vice-President to take his place—will thus have been removed.

The judiciary committee and Mr. Peter Rodino, its cool-headed chairman, do not expect to start serious discussions of impeachment *until well after the New* Year.

Congress apparently accepts almost universally that the inquiry cannot be averted. This week-end, Senator John Tower of Texas, one of the most loyal Republicans in the Senate, said he accepted that the committee's investigation of impeachment was now inevitable unless the President made the disclosures about his own role that he had failed to do.

In more veiled language, even Senator Hugh Scott, leader of the Republican minority, said he felt Mr. Nixon was to blame for the lack of confidence in him.

These comments come from men who want nothing more than to see the President somehow shake himself loose from Watergate. But they have spoken up at a moment when the general verdict on "Operation Candour" is that this latest exercise in self-explanation was no more candid, and no less a public relations drive, than its many predecessors since last spring.

Perhaps to silence the critics on one score, Mr. Nixon this week-end announced that he and his wife had decided to bequeath their home at San Clemente, California, to the nation.

This afternoon, the White House announced it would shortly begin sending out to Congressmen and to the Press "information packages" refuting with documentary proof every charge made against Mr. Nixon.

On Tuesday, General Alexander Haig, the President's chief of staff at the White House, will take his turn in the witness box in Judge John Sirica's court to give his account of how one of Mr. Nixon's Watergate tapes suffered the mysterious deletion of a *key 18-minute conversation*.

Continued from Page 1

Key role for Whitelaw

monetary system and the need for its reform, as well as, of course, the counter-inflation work which is centred in the Treasury.

"In addition, there is, during the coming year, the major task of planning and legislating for the tax credit scheme.

"Particularly because Maurice Macmillan has worked with me before at the Treasury (he was Chief Secretary) I am delighted that the Prime Minister has agreed that he should come back to help us.

"Like myself, his responsibility will cover the whole range of the work of the Treasury, save for public expenditure, on which the Chief Secretary will continue to report direct to me. I leave on Monday morning for Brussels for a two-day meeting of EEC Finance Ministers. Mr. Macmillan will accompany me."

STAGE THREE GUIDE OUT

A new booklet which describes the obligations on all employers under Stage Three of the Government's counter-inflation programme is available from the Pay Board from to-day.

The free booklet, "Pay Board: a Guide to its Work in Stage 3," is being sent initially to 350,000 employers in industry and commerce.

Registered at the G.P.O. Printed by St. Clements Press Ltd. for and published by The Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.